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MUNICIPALITIES, ETC.,
INCLUDING CHAPTERS ON VOTING AND THE DRAFTING
OF RESOLUTIONS

BY
ERNEST MARTIN

SIXTH EDITION
BY
G. K. BUCKNALL
Chartered Secretary



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PREFACE

THE taking and recording of minutes is an important part of the duty of a secretary, whether he be that of a Limited Liability Company, Friendly Society, Literary Society, or other body. It is, moreover, a branch of work which is often done in a haphazard and unmethodical manner, either too much verbiage being included, or matters of vital importance being omitted from the record of proceedings. This book places the reader in possession of information that will enable him to take and record minutes in a methodical and businesslike manner. Attention is given to the Object of Minutes, Note-taking, Board Meetings and Shareholders' Meetings, etc., and several specimen sets of minutes are included. Voting and the Drafting of Resolutions are dealt with; and a chapter deals with the minutes of a Municipality. As Table A, in the First Schedule of the Companies Act, 1948, is of great importance to the company secretary, the clauses of this Table that deal with meetings are included.

CONTENTS

CHAP.	PAGE
PREFACE	v
I. INTRODUCTION	1
II. NOTE-TAKING ; AGENDA ; MINUTE BOOK	6
III. WRITING UP OF MINUTES	13
IV. BOARD MEETINGS	24
V. SHAREHOLDERS' MEETINGS	40
VI. MEETINGS OF SOCIETIES, ASSOCIATIONS, ETC.	63
VII. MINUTES OF A MUNICIPALITY	74
VIII. VOTING	78
IX. RESOLUTIONS	87
X. SPECIMENS OF RESOLUTIONS AND MINUTES	91
XI. EXTRACTS FROM TABLE A	107
INDEX	119

HOW TO TAKE MINUTES

CHAPTER I

INTRODUCTION

IN these days, when almost any business may be suddenly converted from a one-man concern or a partnership venture into a joint-stock company with its full panoply of directors, secretary, auditor, and other officers, a member of the clerical staff may unexpectedly find himself invited to accept a secretarial post. His new duties will include attending Board meetings and meetings of shareholders, taking minutes of their proceedings, writing up those minutes, and afterwards reading them aloud for confirmation or correction at a subsequent meeting. These minutes are important, since they constitute the official record of what takes place when the directors or shareholders meet together to deliberate upon the affairs of the company. It is necessary, therefore, that the secretary should have clear ideas as to how minutes are to be taken, what facts it is essential that they should preserve, and the form in which they should be written up. Some young secretaries begin their work with very vague notions on these points ; others enter upon their tasks with tolerably clear ideas on the subject, and produce from the outset fairly good minutes.

Those who have undertaken secretarial work in the evenings in connection with local societies of various kinds, come to their new duties with a certain amount of useful experience. The literary society, the cricket club, the rambling club: these and many other kindred

organizations often have as secretaries young men engaged as clerks during the day. All of them keep minutes of their proceedings, and excellent opportunities are thereby afforded for the cultivation of skill in the art. The youthful enthusiast, when he is bestowing his spare time and giving his services in the capacity of secretary to one of such bodies, may be training himself for more important tasks in business life. Whether he will or will not, must depend ultimately on his ability to recognize what is the purpose of the minutes that he keeps, and how they may best be kept so as to serve that purpose exclusively and effectively. Minutes of small voluntary societies are often badly kept from a business point of view. They are vague when they ought to be precise, and often record a great deal that has no rightful place in the minute book. Errors of this description are not of much importance in the case of the small societies referred to, though it is desirable even for them that the business side of their work should be carried through in a businesslike manner. The man with business experience and a keen sense of the value of his own time, will, however, instinctively strive to make his minutes brief, and the criticisms of his fellow-members, when any omission is noticed, will help him to cultivate the habit of making them complete. Such training is likely, therefore, to lead to improvement, and to the growth of a sort of "feeling" of what is required and of what should be avoided.

It is chiefly with the object of assisting those who have had no preliminary practice in the art of taking minutes that the observations and illustrations that follow are designed; but even to the more expert, a few hints as to desirable methods may prove useful.

THE OBJECT OF MINUTES

Why are minutes kept? The answer to this question will determine the answer to the further question, "What should the minutes contain?" which is the more important

question from the point of view of the minute recorder. It will determine also the methods that he shall adopt in order to enable him to make up his minutes in such a way that they shall never need correction afterwards. Now, the chief object of keeping minutes is to preserve a record of the business transacted at Board or Committee meetings by those who are responsible for the management and control of the organization of which they are officers, and of the business transacted by the organization itself when it is assembled in "general meeting." Most "voluntary" societies do, as a matter of interest, keep brief minutes of their proceedings at public or semi-public meetings; but there is no uniformity of practice in this respect, and there need not be.

In the case of companies incorporated under the Companies Acts, however, minutes of meetings *must* be kept, as to which see Section 145 of the Companies Act, 1948, *post* page 12.

CONTENTS OF MINUTES

The object of the minutes being to preserve a record of the determinations and resolutions of the officers, and of the members, in reference to the business of the organization, they need to be precise. They should, in the case of Board or Committee meetings, show who it was who decided upon any specific course of action authorized by a resolution; and, therefore, as regards all meetings of directors or of committees of management, they should state who were present, but in the case of large meetings of members or others, this is unnecessary. The minutes must show exactly what it is that was decided. They must, therefore, set out all amounts, quantities, and sums of money to which the resolutions passed, relate.

Owing to the manner in which resolutions and amendments are sometimes "tinkered with" before being finally carried, and to the irregular procedure which an

unmethodical chairman will sometimes permit, the task of setting out in their final and complete form the resolutions actually carried is not always easy. But the difficulty is one that must be surmounted if the minutes are to be accurate. One or two illustrations of the sort of thing that happens, and that, when it does happen, calls for special alertness and care on the part of the minute recorder, will be given later. All that we desire to emphasize at this point is that the minutes, to be available for future reference, must clearly show, beyond a doubt, exactly what was done at the meeting—not what was said, nor what were the reasons urged for or against any particular course advocated, but what was formally proposed and what was ultimately decided upon. Only thus can the minutes serve their purpose.

It must be borne in mind that the minutes as they appear in the minute book may one day be produced and read in Court to support some claim made by the company, or in defence of some claim made against it, and that much may depend on the accuracy and completeness of the record. There are circumstances in which the omission of a record of some essential step will lead the Court to infer that such step was not taken. Imperfect minutes may, therefore, prove seriously detrimental to the interests of the company.

It is true that whatever minutes the secretary may enter in the book are produced for confirmation at a subsequent meeting, and that any omission then discovered may be supplied at that time and any inaccuracy rectified. Further, that once the minutes are approved as correct, and signed by the chairman, the responsibility for them passes from the secretary to the Board, or to the members, if the confirmation takes place at a members' meeting. An omission may easily be overlooked, however, and a slight inaccuracy pass unnoticed, only to be detected at a future date. The blame will then assuredly fall on the unfortunate secretary, and it is obviously to his interest

to prevent any such occurrence. It is, moreover, his duty to do his work as efficiently as possible, and to make his minutes just what they should be—a veracious and trustworthy account of the proceedings which they purport to record.

it is desirable to make. And it may be useful to illustrate these by a few examples of the procedure with which the secretary frequently finds himself called upon to deal.

THE AGENDA

The secretary usually comes to the meeting with some preliminary knowledge of the intended course of the proceedings. He has generally prepared, either alone or under the guidance of the managing director, the agenda giving the headings of the business to be brought forward. In many instances he has read the correspondence, or a large part of the correspondence, that will be laid before the Board; and he is more or less familiar with the transactions that are proceeding in the office, and with proposed transactions on which the directors contemplate embarking. As a rule, therefore, he possesses much more knowledge concerning the subject-matter of the meeting than any stranger could possibly gather from a mere perusal of the agenda. To that extent he is in a far better position for note-taking than is the outside reporter attending a meeting and relying on such information as the actual proceedings may disclose.

PREPARATION OF THE AGENDA

The preparation of the agenda requires considerable care. It consists of a list of things to be done or, in other words, a summary of the points to be considered at the meeting. A true agenda is so worded that alteration of a few words to convert them into the past tense will form the minutes. It may be, and often is, made out on loose sheets of foolscap paper, but it is preferable to have it written in a book specially kept for that purpose. The order in which the items appear on the agenda is generally the order in which the business is to be taken at the meeting, and it is usual to place routine business first. Although it is desirable that the business should be dealt with in the

order in which it appears on the agenda, this is not always imperative, and the chairman may use his discretion in the matter. At a company's meetings, however, the order should not be changed without the consent of the meeting. Each item should be numbered, and a space should be left at the right-hand side of the agenda for the chairman's notes. A copy of the agenda should be prepared for each director at a Board meeting. In some cases directors prefer to receive the agenda a day or two before the meeting, in order that they may have the opportunity of considering the matters to be discussed thereat. Unless such wish has been expressed it will be sufficient if the agenda papers are placed in the hands of the directors on their arrival at the meeting.

The secretary will take care to reserve one copy of the agenda for his own use. He will find the numbering of the items a great convenience to him, since he will then be able to refer in his note-book to each successive matter of business by its number, and save himself the trouble of describing the nature of the business each time he has occasion to refer to it.

He will seldom find it wise to make his notes on the agenda itself. In some instances, where the business is purely formal and is disposed of very quickly, and practically without discussion, this method may prove satisfactory. But in most cases where the notes are commenced on the agenda, it will be found that the available space on that document is insufficient, and that the notes made upon it will require supplementing. On the whole, therefore, it is desirable to adopt the practice of making all the notes in a note-book. Each set of notes will then be complete in itself, and there will be no need in the course of framing the minutes to refer now to the notes in the margin of the agenda, and now to the notes in the note-book or on some separate sheet of paper.

There are secretaries who do not observe any systematic plan in taking notes. They will jot down particulars

on half-sheets of paper—sometimes on mere fragments—which are destroyed immediately the minutes have been entered up from them. But scraps of paper, and even half-sheets, are apt to get mislaid or become disarranged. A note-book, in which everything that is intended to serve the purpose of enabling the minutes to be properly prepared is entered in the order in which it takes place at the meeting, is for many reasons preferable. If any question is raised at a subsequent meeting as to the exact phraseology of a resolution or as to the exact form in which directions were given, the entries in the note-book can readily and promptly be turned to and read out.

Another reason why it is desirable that the notes should invariably be taken in a note-book, is that notes may be necessary other than those required for the purpose of framing the minutes. Directions may, for instance, be given to the secretary as to the nature of a reply to be made to a letter brought before the directors for their consideration. In such cases, he will find it useful to record the exact directions in his notes for his future guidance. One set of notes, comprising not only all that it is essential to preserve to enable the minutes to be prepared, but also the necessary data in connection with all that the secretary himself will have to do in carrying out the directions of the Board, will be in every way preferable to separate notes, some in a note-book, some on the agenda, and some on letters.

THE NOTES TO BE TAKEN

There are certain facts which minutes, however brief, should never omit. They should first of all record the date and place of the meeting. Secondly, they should state the name of the chairman. These particulars should appear in the minutes of all meetings. In the case of Board meetings, where these are held at the offices of the

company, as is the custom, any statement as to the place of meeting may be omitted, although it is preferable to mention it. Where the Board meeting is held elsewhere than at the company's office, the place of meeting should, of course, be stated. "At company's registered office" may usefully appear in the shorthand notes. And the date should always be written in the notes, not because it is really necessary as a reminder to the note-taker when he starts to frame the minutes, but because the presence of the date will facilitate reference to the notes at any time afterwards. Next comes the name of the chairman, and that will be followed by the names of the other persons present. If the latter include persons other than directors, persons who have been asked to attend the meeting to give advice or to be consulted, their names should be included with a designation indicating the character in which they attend. There may be a solicitor, an accountant, or the manager of a department. These persons will be recorded in the notes thus: "J. Smith, solicitor; A. Watkins, accountant; S. Murphy, manager of drapery department"; and so on.

At a shareholders' meeting it is not necessary to make a note of the names of all persons present as other means are adopted to ascertain who were present. This is explained later, in the chapter on shareholders' meetings. But even at a shareholders' meeting a note should be made not only of the name of the chairman, but also of the names of all directors and officers present, including solicitors, auditors, and others.

THE MINUTE BOOK

The minute book is one of the compulsory books required to be kept by limited companies. No particular size or form of book is specified, and books of convenient dimensions can be purchased from any law stationer. Each page should be numbered, and have a left-hand margin of

from 1½ to 2 inches, and each minute should be numbered and indexed. In the case of limited companies it is necessary to keep two minute books, one for the minutes of directors' meetings, and one for the records of meetings of shareholders.

Section 145 of the Companies Act, 1948, enacts that: "Every company shall cause minutes of all proceedings of general meetings, all proceedings at meetings of its directors and, where there are managers, all proceedings at meetings of its managers, to be entered in books kept for that purpose."

Loose-leaf minute books are used to some extent, and there is nothing wrong in the practice itself. Much depends on the type of loose-leaf book, the care exercised in its use, and the steps taken to prevent alteration, extraction of old leaves or insertion of new and unauthorized minutes, etc.

Section 146 requires the books containing the minutes of general meetings to be kept at the registered office of the company. The books must be available for inspection by any member gratis during business hours (subject to reasonable restrictions made by the company, but so that not less than two hours a day are allowed for inspection), and any member is entitled to be furnished within seven days of making a request in that behalf with a copy of such minutes at a charge not exceeding 6d. for every hundred words.

CHAPTER III

WRITING UP OF MINUTES

MINUTES, although they are intended to form a permanent record available for reference so long as the company remains in existence, are meant to be but a brief record. This implies that there shall be no superfluous phraseology—no mere verbiage. Being minutes they do not take shape as a narrative. They are not worded as a story. They are, therefore, sharply distinguished from anything that could be described as an historical account of the proceedings of the company or of its directors. And for the same reason they are entirely unlike a newspaper report. They are unlike the letter that one would send to an absent director or to an absent member with the object of acquainting him with what has taken place in his absence. They are more analogous to a telegram than to a letter, to a *précis* than to a narrative.

For lack of an adequate recognition of this fact and of all that it involves, many minute books contain a surplussage of words. Take the matter of the heading, for instance. Some secretaries will begin the minutes of every separate meeting with a heading in this form—

“Minutes of a meeting of the Board of Directors held at,” etc.

Here, to start with, the word “minutes” is not wanted. The record is written in a book ostentatiously on its cover named “Minute Book.” It is obvious that unless it is wrongly used for some other purpose, its contents are minutes. Then there are other superfluous words in this heading. It can be simplified so as to say everything that is necessary by employing the following formula—

“Directors’ meeting held at,” etc.

Some secretaries, from an excess of conscientiousness

or of caution, insert the name of the company in every minute-heading. We may thus get a formula such as :—

“Minutes of a meeting of the Board of Directors of the Hornsey Gold Mining Company, Limited, held at,” etc. This is “painting the lily.” The name of the company usually appears in conspicuous letters on the cover of the minute book. In the exceptional instances in which it does not, the name is written inside at the commencement of the book. There is always an unmistakable indication, inside or outside, of the precise company to which its contents relate. To repeat the name in the heading to any particular minutes is, therefore, a useless exercise, one which represents pure waste of time and effort.

The same rigorous “elimination of the superfluous” should characterise the minutes of members’ meetings. Instead of “General Meeting of the shareholders of the company held at,” etc., or “Extraordinary General Meeting of the shareholders of the Hornsey Gold Mining Company, Limited, held at,” etc., it is preferable, except in the instances to which reference will be made immediately, to employ a simpler and briefer formula, such as the following :—

“General Meeting held at,” or “Extraordinary General Meeting held at,” etc.

Where separate meetings are summoned, each confined exclusively to one class of shareholders, the formula will of necessity be fuller. It is important to show in the heading which particular gathering the minutes concern. We must therefore shape our heading somewhat differently. We shall now write :—

“Extraordinary General Meeting of first preference shareholders” [or “of second preference shareholders,” or merely “of preference shareholders” if there be but one class of preference shareholders] “held at,” etc. ; or

“Extraordinary General Meeting of ordinary shareholders held at,” etc.

This is concise, precise and informative. It renders it needless to read through the minutes to find out which set of shareholders deliberated and arrived at the decisions recorded on the minutes.

There are many ways in which it is possible to record resolutions. Some secretaries indulge in various methods and will adopt more than one plan in the course of making up the minutes of a single meeting. This practice is not to be commended. It may be worth while noticing here a few of the more common methods of expressing the fact that a certain resolution has been passed. Let it be supposed that the directors of a company, having under their Articles of Association power to borrow up to a certain limit without consulting the shareholders, have, at a Board meeting, decided to request the company's bankers to make a temporary advance to the company of £5,000. It is possible in making up the minutes of the meeting to mention the resolution in these varied terms:—

(1) "On the motion of Mr. Smith, seconded by Mr. Brown, it was resolved to apply to the company's bankers for a temporary loan of £5,000";

(2) "After some discussion as to the finances of the company, it was resolved to apply to the company's bankers for a temporary advance of £5,000";

(3) "It was decided to ask the company's bankers for a temporary loan of £5,000, the proposer of the resolution being Mr. Smith, and the seconder, Mr. Brown";

(4) "It was resolved, on the motion of Mr. Smith, seconded by Mr. Brown, that the company's bankers be applied to for a temporary loan to the company of the sum of £5,000";

(5) "It was proposed by Mr. Smith, seconded by Mr. Brown, and carried unanimously, that the company's bankers be applied to," etc., ending as in (4);

(6) "RESOLVED that application be made to the company's bankers for a temporary loan to the company of £5,000."

These illustrations are not exhaustive. Others could easily be added. But they are sufficiently typical for the present purpose. What are the respective merits of each of the several forms cited? And what is there to be said against any of them?

Let us consider each one of them separately. It will be seen that No. 1 is objectionable on the ground that it does not set out, or does not purport to set out the exact wording of the resolution. All that it professes to give is the effect of the resolution. It states that effect quite accurately, but it does not show the precise language in which the directors themselves expressed their meaning. There are instances in which a good deal may turn on the precise terms of the resolution. It might not happen in this instance, but it is always impossible to say what potentialities of dispute may lurk in a record which on the face of it does not profess to give the exact words used.

No. 2 is objectionable for the same reason, and also because the introductory reference to a discussion is not really necessary. It may be presumed that every resolution is arrived at after discussion.

No. 3 not only states merely the purport of the resolution without professing to give the actual language of the resolution, but it sets out the names of the proposer and seconder in an inconvenient place, namely, *after* the record of the decision.

Nos. 4, 5 and 6 are better. On the assumption that each one of them does actually contain the exact words of the resolution passed—and from internal evidence it would be fair to assume that they do—they represent three quite legitimate variations of form. It is suggested that of the three, No. 6 is preferable. In the first place, while it mentions every fact concerning the resolution that the other two mention, it omits unnecessary matters. In practice, the names of proposers and seconders of resolutions are frequently omitted. It is customary to state in reports of meetings of shareholders by whom a

resolution was proposed and by whom it was seconded. This, however, is not so in the case of minutes, and the simple statement that it was "RESOLVED that so and so" is all that is necessary.

Form No. 6 is for other reasons the most convenient form of all. The resolution stands out by itself, so that if it becomes necessary to quote it in a letter, in a legal document, or on any other necessary occasion, it can be easily copied by a junior clerk. It is furthermore desirable because it represents the preferable form for recording resolutions passed at shareholders' meetings. In some instances certified copies of these resolutions have to be deposited for registration with the Registrar of Companies. In other instances they have to be set out in recitals in trust deeds executed for the benefit of debenture holders.

Every methodical man will realize the advantage from a business point of view, of invariably doing the same thing in the same way. A uniform method of recording minutes will save everybody's time whenever reference to minutes of past meetings becomes necessary. The young secretary with a taste for literary variety of expression and form, may be warned against indulging his otherwise praiseworthy propensity when engaged in the task of making up minutes.

RECORDING OBJECTIONS AND PROTESTS

The question often arises as to whether or not any reference should be made in minutes to the feelings of individual directors. For instance, suppose a director objects strongly to some proposed course of action, but that in spite of his opposition the resolution is carried, should any reference be made in the minutes to the effect that this particular director objected to the proposal? As the resolution, when passed, becomes the resolution of the Board as a whole, such personal reference is, as a rule, quite unnecessary unless the director expresses a

wish that a note should be made of his objection. For the same reason, it is unnecessary to insert the names of the proposer and seconder of the resolution or to record the numbers voting for or against the proposition. It must be added that in practice these things are frequently done, and the secretary must use his discretion in the matter.

Sometimes a member will rise and object to a proposed resolution or the meeting being proceeded with, on the ground that the meeting has not been properly convened—that some necessary preliminary prescribed by the Articles of Association or by the Companies Act has not been complied with. Or he may object that some step which the meeting is about to take is *ultra vires*—outside the powers of the company. He may make such an objection orally or may hand in a written protest.

When such an incident occurs, it is customary for the chairman to inquire of the objector, whether he persists in his objection or his protest. If he thereupon withdraws it no notice need be taken of it in the minutes. If he refuses to withdraw it, a note should be made of the objection or protest, and mention of it might be made subsequently in the minutes. Here are a few specimens:—

“Mr. J. J. Smith objected to the proposed resolution on the ground that it was *ultra vires*”; or on whatever other ground may have been stated;

“Mr. J. J. Smith objected to the meeting proceeding to business on the ground that less than the seven clear days’ notice required pursuant to Article 49 had been given to the shareholders”;

“Mr. J. J. Smith handed in a written protest against the meeting being held on the ground” [stating concisely the reason given in the protest].

Following this entry will come the chairman’s ruling on the subject of the objection or protest. “The chairman ruled that the meeting should proceed”; “The chairman ruled that the resolution was in order”; entries similar to this will suffice in the minute book. Whenever a

formal objection or protest is lodged, the minutes should show what course was adopted with reference to it.

HEADINGS OR MARGINAL REFERENCES

With a view to facilitating reference at any time afterwards to any of the specific items of business transacted at a meeting, it is desirable that each separate minute should have either an appropriate heading or an appropriate marginal note, showing briefly to what particular matter it relates. If headings are preferred to marginal notes, every heading should have a line ruled under it, and should be written slightly larger than the ordinary handwriting of the minutes. Headings should, of course, be very concise: they should reach the irreducible minimum of brevity. Thus "Minutes" will serve as an ample heading or marginal note to the record of the fact that minutes of the last preceding meeting were read and confirmed. "Finance," "Correspondence," "Allotment of shares," "Purchase of motor-car," "Acquisition of new premises," "Furniture," "Loan to Wills & Co.," are examples of other brief but sufficiently expressive and informative headings or marginal notes.

DATES AND FIGURES

Dates and figures should be given in the minutes wherever practicable. And this rule should be observed even in small matters, and when it may at first sight seem superfluous. Thus, instead of writing "the minutes of the last meeting were read and confirmed," or "minutes of last meeting read and confirmed," it is preferable to write "the minutes of the Board meeting held on 2nd Dec., 19.. (or whatever may have been the date) were read and confirmed," or "minutes of Board meeting on 2nd Dec., 19.., read and confirmed." Similarly in the minutes of an annual general meeting, instead of inserting "minutes of last annual meeting read and confirmed,"

the secretary may be strongly recommended to write, "minutes of Annual General Meeting held on 2nd Dec., 19.. (or whatever else was the date), read and confirmed."

Where shares are allotted, the minutes should state the description of such shares, and, when necessary, the distinctive numbers¹, thus, "10,000 Cumulative Preference Shares, Nos. 21,000 to 30,999 inclusive," or "20,000 Ordinary Shares, Nos. 25,001 to 45,000 inclusive." Such slovenly records as "ten thousand preference shares were allotted" or "twenty thousand ordinary shares were allotted," are bad. They do not give the specific information which properly kept minutes should contain, i.e. the information that may be wanted at some subsequent date in order to identify the particular shares referred to.

The same rule should be adhered to whenever a resolution relates to any specific shares. Particularly is this the case when the resolution is one for forfeiting shares. "The shares standing in the name of Mr. Watkins" is not sufficiently explicit. The reference to the shares should be fuller and more precise. "The 500 Cumulative Preference Shares, Nos. 801 to 1,300 inclusive, and the 50 Ordinary Shares, Nos. 2,730 to 2,779 inclusive, registered in the name of Mr. Watkins," is the form of reference that should be made. There can then never be any doubt as to which shares were referred to.

Similarly, sums of money, dates of letters, deeds or other documents, rates of interest, statements of measurements, quantities, etc., should, in most cases, be inserted in the minutes. To secure these particulars may sometimes involve getting from the managing director or from some other officer, information not on the agenda or on the notes taken at the meeting; but it should be obtained. It is the secretary's business to make the minutes complete.

Minutes should be written up as soon as possible after

¹ Distinctive numbers are not necessary since the Companies Act, 1948, where all the issued shares of the company or of the particular class concerned are fully paid up and rank *pari passu* for all purposes.

the meeting and while the matters discussed are fresh in the mind. No erasures should be made in the minute book, but if a mistake is made in the entering up of the minutes the incorrect words should be neatly ruled out and the correct ones inserted.

"CONFIRMATION" OF MINUTES

One of the items which usually figures on the agenda is that of "confirming" the minutes of the previous meeting, and it is a matter about which there appears to be a considerable amount of misunderstanding. (A better word is "approving"—the correctness of the minutes is approved.) The correct procedure is as follows:—The chairman asks the secretary to read the minutes of the last meeting. When this has been done, the chairman addresses the meeting in words to this effect: "You have heard the minutes of the last meeting read; may I accept them as a correct record of the proceedings of the meeting to which they relate?" If the meeting agrees that the minutes as read are a correct record of the proceedings, the chairman signs them and the matter is ended.

The business to which the minutes relate must not be reopened and discussed. All that the meeting is required to do is to say whether or not the written record is a correct account of the proceedings of the meeting to which it refers. If, when the minutes are read, it is discovered that there is a mistake in the recording thereof, that is, a clerical error, this can be altered. The alteration should be made by ruling out, not erasing, the incorrect words and substituting the correct ones. All alterations should be initialed by the chairman, and after the minutes have been signed, they must not on any account be altered. If a resolution has been passed, and at a subsequent meeting it is decided not to pursue the course of action specified—in other words, if the meeting changes its mind on a subject—the proper course is to allow the first resolution to stand and to pass a further resolution rescinding the

undesirable one. While on the subject of alteration of minutes, attention may be called to the remarks of Lord Esher, M.R., in the case of *In re Cawley & Co.* (1889, 42 Ch.D. at page 226): "Something happened with regard to that resolution which I cannot help thinking was most dangerously irregular, for the secretary, either in consequence of some supposed power vested in him or of some idea of his own, some time afterwards inserted in the minutes of the meeting of the 18th, certain dates as the dates of the calls. In my opinion that was the most dangerous thing that could well be done. Minutes of Board meetings are kept in order that the shareholders of the company may know exactly what their directors have been doing, why it was done and when it was done, and any shareholder looking at these minutes as they now stand would suppose the dates were agreed upon at the meeting, and were then filled in, whereas in truth no dates were agreed upon by the directors at all. The dates form no part of the resolution and yet here is the entry made as though they formed part of the resolution then passed. I trust that I shall never again see or hear of the secretary of a company, whether under superior directions or otherwise, altering minutes of meetings either by striking out anything or adding anything. The proper mode of fixing the dates would have been by resolution, and then entering that resolution on the minutes."

Minutes of the directors' meetings are confirmed at the next succeeding directors' meeting, while the minutes of shareholders' meetings are usually confirmed at the next *directors'* meeting after the shareholders' meeting.

EFFECT OF MINUTES

Section 145 of the Companies Act, 1948, provides that any minute if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting,

shall be evidence of the proceedings; and that until the contrary is proved, every general meeting of the company or meeting of directors or managers in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly held and convened, and all proceedings had thereat to have been duly had, and all appointments of directors, managers, or liquidators shall be deemed to be valid.

It will thus be seen that the chairman's signature is all that is required according to the statute to make the minutes good, and unless the Articles of the company make special provisions there is no obligation to have the minutes read or submitted for approval to any meeting.

CHAPTER IV

BOARD MEETINGS

THE directors of a company usually meet at frequent intervals for the purpose of discussing and deciding the policy of the company. The regulations relating to the calling and conducting of such meetings are contained in the Articles of Association, and the secretary should give attention to these provisions. (See, for example, Clauses 98-106 of Table A.) Directors are often required to attend personally at Board meetings, though Clause 106 of Table A provides that a resolution in writing signed by all the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted. It will be seen that Clause 99 of Table A enacts that the quorum necessary for the transaction of business may be fixed by the directors. In reckoning the quorum, it must be remembered that, unless the Articles specially provide otherwise, a director not capable of voting on business before the Board because he is interested in the business, cannot be reckoned in the quorum. If the number required to form a quorum is not specified in the Articles or determined by the directors in accordance with the powers given to them by the Articles, all the directors must be summoned to the meetings, and a majority must be present, though in one case it was decided that the number of directors which usually acted would be sufficient, even though a minority of the Board. Although it is not necessary to give notice of directors' meetings which are held at specified times at regular intervals, it is usual to do so; in fact, notice of every meeting should be given to all directors except those who are abroad. The business to be transacted at the meeting need not be stated, although, again, it is usual for this to be done. A specimen notice will be found on page 31.

It is a common practice nowadays to keep a directors'

attendance book. The secretary should see that each director signs the book, and if any persons are in attendance in a representative capacity (for example, solicitors, auditors, etc.) it is customary to invite them to sign also. It is the duty of the secretary to see that the Board Room is properly furnished with an adequate supply of stationery, pens and ink, that all the documents which are at all likely to be required are handy, and that each director is supplied with a copy of the agenda.

Proper attention to these details will save time and will help to ensure the smooth working of the meeting. The chairman is appointed in accordance with the Articles (see Clause 101, Table A), and when he has satisfied himself that a quorum is present the meeting may proceed.

Except at the first meeting of a Board of Directors the business begins with the reading of the minutes of the last preceding meeting. The minutes are approved, and signed by the chairman as explained in the previous chapter ; and all that the secretary need write in his notes is "minutes confirmed" or "minutes approved."

Next may come some business "arising out of the minutes." The chairman may report certain steps taken in pursuance of a resolution set out in the minutes which the Board has just confirmed. He may mention how certain negotiations referred to are proceeding, that a particular debtor whom the directors had decided to sue has discharged his liability or is paying the amount by instalments, or that certain instructions have been given to the company's solicitor. Or the secretary may report that certain letters directed to be written were duly sent, and may either read the replies or state the purport of those replies. A very brief note of all these facts should be made. "Chairman reported interview with Brown on 20th instant, Brown declined company's offer"; "Secretary reported letter of 10th instant to Smith, and read Smith's reply of 14th instant"; "Chairman reported that the company's solicitors had submitted

draft lease to Jones for approval": notes of this character are ample for the purpose. Dates should always be given, particularly dates of letters and of interviews. If they are not stated at the meeting, they should be ascertained afterwards. They are essential to the full utility of minutes. If the date of a letter be given, and the name of the person from whom it is received be stated, the entry in the minutes will be sufficient to enable the precise letter referred to to be identified at a later date without the nature or effect of the communication made by it being set out in the minutes. Instead, therefore, of noting "Letter from Wilson & Co., intimating that they could not concur in the proposals of the directors and offering, etc.," which will make the minutes unduly lengthy, the record need only be "Letter from Wilson & Co., dated 10th Nov., 19..," leaving the letter to speak for itself.

Where special directions are given for dealing with the subject of any specific letter these may be recorded briefly in the notes thus: "Left to chairman to deal with," "Directions given as to reply," "Letter to be sent to solicitor for his advice." It will be desirable wherever the secretary is actually instructed as to the precise nature of a reply to be forwarded, to make a careful note of the directions. But in most cases it will not be necessary to reproduce the note in the minutes. Generally speaking, "Directions given for reply," will suffice. On this point practice varies, and the wishes of the particular Board must, of course, be complied with. Some directors like to have the nature of their directions even on matters of correspondence explicitly recorded on the minutes. So far as concerns letters of great importance, it is a good plan to state the directions. But whether they are to appear in the minutes or not, the actual directions should be recorded in the notes taken at the meeting.

Accounts will be brought up for consideration and directions given for payment or for some other method

of dealing with them. The items will probably be set out in the agenda, and if the secretary, as already recommended, has numbered them in his copy, all he will need to insert in his notes will be something on the lines of the following: "2, pay; 3, stand over; 4, items to be examined and reported on by manager; 5, offer £10 in discharge."

RESOLUTIONS AT BOARD MEETINGS

Resolutions are often arrived at as the result of an informal discussion—a mere interchange of opinions and suggestions. "I think we should decide so and so," one director will say; "I am prepared to propose that we do so and so," another director will observe, in concluding his remarks on the topic before the meeting. "It seems to me it would be preferable to say so and so," a third director will interject. Then the chairman or someone else, gathering from the conversation the general sense of the meeting, will hurriedly draft a resolution, introducing it in a tentative way, something after this style: "I think this is about what we mean," and then reading it. Another member will perceive a possibility of improving it, and will suggest an alteration in the wording. Perhaps the suggested variation of language will not meet with the approval of the Board, and several further suggestions will be forthcoming before the resolution reaches its ultimate form. "Very well," the chairman will say, when he thinks that stage has been achieved, "if you are all satisfied with the resolution as it now stands, perhaps somebody will propose it"; or he may propose it from the chair, another member seconding it. He may not even read it out again in putting it to the meeting, but may simply say, "Do you all approve of it?" and getting an affirmative reply will say, "Carried."

In such an instance the alert note-taker must exercise

a good deal of discretion. It is not necessary to burden his notes with all the protean shapes which the resolution assumed during the conversational discussion. It is not the case of a formal resolution, formally proposed and seconded, and then followed by a succession of equally formal amendments, each being successively put to the meeting and rejected. There is no need to include the conversation at all in the notes. But the final form of the resolution must be secured. If it is written down by the chairman, the written copy should be obtained and copied into the note-book. If, as often happens, it is not actually reduced to writing by the chairman or by any other member, it must be taken down verbatim. The names of the directors who formally propose and second it are sometimes inserted in the minutes, but this is quite unnecessary. Where a resolution is passed unanimously, "Carried" is a sufficient record. Where some of the directors vote for a resolution and others vote against it, the numbers need not be taken and recorded. Where for any reason a director abstains from voting, a note of that circumstance need only be made if such director expresses a wish to that effect. If he gives a special reason for abstaining, the reason may also be noted.

Where, instead of arriving at the resolution in the informal manner described, one member brings forward an oral or a written resolution, and formally moves it, and after it is seconded, another member moves a formal amendment to it, which in its turn is seconded, and is then put to the meeting, both the original resolution and the amendment should be noted. Assuming that the amendment is rejected, the original resolution is then as a matter of course before the meeting, and it is open to any director to move a further amendment to it, which, if seconded, must also be put to the meeting. If all the successive amendments are in turn rejected, the original resolution is then put.

When an amendment is carried, it supersedes the original

resolution, and is itself customarily put to the meeting a second time, it being now voted on, not as an amendment but as a "substantive motion."

Proceedings do not always or even often take this very formal course at a Board meeting. They rarely do so where the Board consists of a small number of persons. But wherever the procedure is followed, a full note should be taken of the successive steps leading to the adoption of a resolution in its final form.

The secretary will sometimes encounter that not unknown type of chairman—the man who is incurably informal in his manner of conducting the business of a meeting. Where he presides over the proceedings of an acquiescent Board of directors, willing to waive the usual formalities, the secretary's tasks are correspondingly more difficult. The informal chairman will not always insist on a resolution being formally proposed and seconded. When he thinks that the sense of the meeting is sufficiently in concurrence to warrant the assumption that a resolution will be carried unanimously, he will probably say something to this effect: "I suppose we can pass that," and there will be a general answer of "Oh, yes," or perhaps hands will be held up, and he will simply say, "Carried," and the meeting will immediately pass on to the next business.

Here, the recorder of the proceedings should simply enter "Resolved that" and then set out the terms of the resolution as carried.

There is another instance by no means unknown: the case in which a motion is formally proposed and the chairman puts it to the meeting without calling upon anybody to second it. There is nothing invalid about this procedure. The object of requiring a motion to be seconded before it is submitted to the meeting to be voted on, is merely that it may be shown that there is at least one person present beside the proposer who is prepared to support the motion. If there is not it can

serve no purpose to put it to the meeting. To do so would be to waste the time of the meeting. In other words, a refusal to second a motion is by itself tantamount to a rejection of the motion by the meeting. Therefore, where no seconder is forthcoming, the chairman is entitled, by custom, to refuse to submit the motion to the meeting. He usually declares that there being no seconder, the motion "falls to the ground." But while he is under no obligation to submit to the vote an unseconded motion, he is not precluded from doing so. He may put it to the meeting and ask those present to vote upon it, notwithstanding the lack of a seconder. In other words, he may either infer from the inability of the proposer to find a seconder from among those present, that the sense of the meeting is so preponderantly against the proposition that it is unnecessary to take a vote, or he may, if he choose, ascertain the sense of the meeting by calling upon the persons there assembled to record their votes for and against the proposition.

In every such instance the secretary must mould his minutes according to the circumstances.

It is frequently necessary for a proposed resolution to be set out in full in the agenda. This is, however, a rare occurrence at Board meetings. When, however, the resolution is so set out and is ultimately carried without alteration, it will, if the recommendation already given be followed, bear a number as one of the items on the copy of the agenda in the secretary's possession. All he needs to enter upon his notes in such a case is something after this kind: "6: adopted" or "7: carried."

Where a resolution is passed directing that the seal of the company be affixed to certain documents, particulars of the documents will either be stated on the face of the agenda or will be otherwise available to the secretary. All that is necessary in his notes is a memorandum of the directions to seal.

Generally, where resolutions include dates, sums of money, rates of interest, terms of payment, numbers of shares, statements as to capital, debentures, dividends, and other particulars involving figures, care should be taken to secure the exact figures, and if these are not set out on the agenda, they should be entered on the notes.

In short, every piece of information that it will be necessary or desirable to possess in order that the actual minutes may be written up completely and correctly, should be obtained at the time, and, as a rule, if it does not appear on the agenda or in some document to which the secretary will certainly have access when he is framing the minutes, it should be recorded in the note-book. Every effort should be made to prevent the necessity of having to go to the managing director subsequently to ask him for further information as to details of any kind. It is the secretary's business to obtain the necessary details at the time; and to ask for aid afterwards, except in an unavoidable emergency, is a confession of weakness.

**SPECIMEN NOTICE CONVENING DIRECTORS'
MEETING**

THE NEW ERA COMPANY, LIMITED

BOARD MEETING

A meeting of the Directors of the Company will be held at the Registered Offices, 42 Market Street, London, E.C.4, on Wednesday next, 17th October, 19.., at 2.30 p.m.

ARTHUR ELLIS,
Secretary.

Business to be transacted :—

GENERAL

42 MARKET STREET,
LONDON, E.C.4.
10th October, 19...

HOW TO TAKE MINUTES

DIRECTORS' ATTENDANCE BOOK

BOARD MEETING

held the 17th October, 19.., at 2.30 p.m.

Present—DONALD HARPER (*Chairman*).

JOHN LONSDALE,	}	<i>Directors.</i>
SAMUEL JOHNSON,		
JAMES ELLIOTT,		

ARTHUR ELLIS, *Secretary*.

In attendance—WILLIAM PRICE, of

MESSRS. PRICE, CAMPBELL & Co.,

Solicitors.

FREDERICK BOTTOMLEY, of

MESSRS. BURTON & Co.,

Auditors.

SPECIMEN AGENDA

BOARD MEETING, 17TH OCTOBER, 19.., at the COMPANY'S
REGISTERED OFFICES.

1. Read minutes of last meeting		<i>Read, approved and signed</i>
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2. Produce list of accounts for payment, and sign cheques in payment	<i>Accounts approved, and cheques signed</i>
3. Preference Share Certificates Nos. 250 to 304 inclusive to be signed and sealed	<i>Ordered to be signed and sealed</i>
4. Submit Transfer Deeds (Ordinary) Nos. 52 to 67 inclusive, together with certificates in favour of transferees, and balances to transferors	<i>Transfers passed and approved, certificates ordered to be signed and sealed</i>
5. Trading Returns to be presented with General Manager's Report	<i>Returns and report read. The Manager reported that, since the report had been prepared, an order for 8,000 tons of coal had been received</i>
6. Next meeting	<i>To be held at these offices on 31st inst., at 2.30 p.m.</i> <i>(Chairman's Initials)</i> <i>D. H.</i>

N.B.—The notes in the right-hand column are those recorded by the Chairman.

SPECIMEN MINUTES

MEETING OF THE BOARD OF DIRECTORS HELD AT THE REGISTERED OFFICES OF THE COMPANY, ON 17TH OCTOBER, 19.., AT 2.30 P.M.

Present :—

MR. D. HARPER, in the chair.

MR. J. LONSDALE, }
MR. S. JOHNSON, } *Directors,*
MR. J. ELLIOTT, }
and MR. A. ELLIS, *Secretary.*

In Attendance :—

MESSRS. W. PRICE, *Solicitor,*
F. BOTTOMLEY, *Auditor.*

The minutes of the last meeting of the Board, held on the 3rd inst, were read, approved, and signed.

Payments

List of accounts due for payment were submitted, amounting to £597 10s. 6d. These were approved and cheques were ordered to be signed.

Certificates to
Allottees

Preference Share Certificates Nos. 250 to 304 in the names of sundry allottees were submitted and approved, when

IT WAS RESOLVED that the Company's Seal be accordingly affixed thereto.

Transfer of
Shares

Transfer Deeds Nos. 52 to 67 inclusive as appearing in the Transfer Register were submitted, together with Ordinary Share Certificates Nos. 305 to 324 inclusive, in favour of sundry

	transferees and transferors as detailed in the Transfer Register. The deeds being approved and passed by the Board,
	It WAS RESOLVED that the Company's Seal be affixed to the aforesaid certificates.
Trading Returns	The weekly return of sales and wages was read, and the Manager stated that since preparing the report, an order for 8,000 tons of coal had been booked.
Next meeting	The next meeting of the Board was fixed for the 31st inst., at 2.30 p.m., at the registered offices.
	DONALD HARPER, <i>Chairman</i> . 31st October, 19...

SPECIMEN MINUTES OF FIRST MEETING OF DIRECTORS OF A NEW COMPANY.

Directors' meeting held at Company's Registered Office, 397 High Holborn, London, on 25th January, 19...

Present: Messrs. J. H. Donald, W. M. French, E. T. Kingston, H. Beach and C. M. King: directors;

A. T. Wood: secretary;

G. F. Ackroyd: solicitor.

Mr. J. H. Donald was elected Chairman of the meeting.

Incorporation and Appointment of Directors.

The secretary produced Certificate of Incorporation, dated 22nd January, 19..., and reported that all the directors present (being persons named in the Articles of Association as the directors of the company) had signed the usual acceptance of office and had applied for the necessary qualification shares.

Appointment of Officers, etc.

RESOLVED: That Mr. J. H. Donald be appointed Chairman of the Board.

RESOLVED: That Messrs. Ackroyd and Wilson be and they are hereby appointed solicitors to the company.

Bankers.

RESOLVED: That the National Provincial Bank, Ltd. (Holborn Branch), be and they are hereby appointed bankers to the company.

RESOLVED: That all cheques drawn on behalf of the company and all acceptances in its name be signed by two directors and countersigned by the secretary, that cheques payable to the company be endorsed on the company's behalf by the secretary alone, and that a copy of this resolution together with specimen signatures of the directors and secretary be furnished to the bankers.

Issue of Prospectus.

The solicitor produced draft of the proposed prospectus to be issued inviting applications for shares, and it was

RESOLVED: That the draft prospectus as prepared and initialed by the chairman for identification be approved, and that it be printed forthwith, filed with the Registrar of Companies, issued to the public, and advertised twice in *The Times*, *Daily Telegraph*, and *Financial Times*, all arrangements as to the printing and issue of the prospectus being left in the hands of the chairman and the solicitors.

Seal.

The secretary produced designs and estimates for the Common Seal of the company.

RESOLVED: That the design No. 3, submitted by Messrs. Grant, of Regent Street, be approved, and that the secretary be instructed accordingly to order seal at a cost of £10.

Quorum.

RESOLVED: That three directors shall constitute a quorum at all Board meetings.

Next Meeting.

The secretary was directed to summon the next meeting of the Board for Wednesday, 8th February, at 3 o'clock.

[NOTE.—It must not be assumed that the foregoing minutes give an exhaustive or a necessarily correct account of the proceedings at a first meeting of the directors of a new company. The proceedings will vary according to circumstances. In some cases certain of the steps recorded as having been taken at this meeting will have been taken previously in a less formal manner. In other cases there will be additional matters calling for immediate attention on the part of the directors. But the business detailed as having been dealt with in the example, is business that commonly comes up for very early consideration by directors. The object of the minutes given, as of those that follow, is to illustrate an effective method of recording the proceedings.]

**SPECIMEN MINUTES OF A SUBSEQUENT MEETING
OF THE BOARD**

Directors' meeting held at the Company's Registered Office on 8th February, 19...

Present : Mr. J. H. Donald, in the chair ; Messrs. W. M. French, H. Beach, C. M. King, and E. T. Kingston, directors ;

A. T. Wood, secretary ;

Mr. G. F. Ackroyd, solicitor.

Minutes of the directors' meeting of 25th January were read and confirmed.

Banking Account.

The secretary reported that he had communicated to the National Provincial Bank the resolutions of the Board as to their appointment as bankers to the company,

and the manner in which cheques, etc., were to be signed, and produced Pass Book.

Seal.

He further reported purchase of Common Seal as directed, and produced seal.

Allotment of Shares.

The Chairman reported that the prospectus had been issued and advertised as directed, and that all the shares offered for subscription had been applied for as per Allotment Lists produced.

RESOLVED: That 10,000 £5 per cent Cumulative Preference shares of £10 each Nos. 1 to 10,000 inclusive, and 20,000 Ordinary Shares of £10 each, Nos. 1 to 20,000 inclusive, be allotted to the applicants in manner set forth in the allotment lists initialed by the Chairman.

Confirmatory Agreement.

The solicitor produced and read engrossment of agreement between James Adams of the one part and the company of the other part, confirming and adopting the Preliminary Agreement of 5th January, 19.., between James Adams of the one part and Alfred Thomas Wood of the other part for the sale of the business of the said James Adams to the company.

RESOLVED: That the agreement of 5th January 19.., be and the same is hereby adopted on behalf of the company, and that the confirmatory agreement produced by the solicitor be and the same is hereby approved, and that the seal of the company be affixed thereto in manner directed by the Articles.

RESOLVED: That 1,000 Cumulative Preference shares of £10 each, numbered 10,001 to 11,000 inclusive, and 1,000 Ordinary shares of £10 each, numbered 20,001 to 21,000 inclusive be allotted as fully paid to the Vendor in part payment of the purchase money for the business and that the certificates for such shares be delivered to the vendor on completion of the purchase.

SPECIMEN MINUTES OF FURTHER BOARD MEETING.

Directors' meeting held at the Company's Registered Office on 19th April, 19...

Present: Mr. J. H. Donald, in the chair; Messrs. W. M. French, H. Beach, C. M. King, and E. T. Kingston, directors; and

A. T. Wood, secretary.

Minutes of Board Meeting on 29th March read and confirmed.

Debtors.

Secretary produced and read list of debtors whose accounts were more than three months in arrear, and it was

RESOLVED: That the following accounts be placed in the hands of the company's solicitors for recovery, viz.: Messrs. Smith & Co., Birmingham, £106—Messrs. Walls & Fell, Walsall, £95—Mr. W. Carpenter, Worcester, £72—Mr. J. Kemp, Plymouth, £50—and that the secretary make further application to the remaining debtors demanding immediate payment.

Scottish Agency.

The secretary read letters from applicants, eight in number, in response to the company's advertisement for an agent to represent the company in Edinburgh.

RESOLVED: That it be referred to the Chairman and Mr. French to interview the several applicants and to report thereon at the next meeting of the Board.

Manager, Sales Department.

RESOLVED: That Mr. William Sims be engaged as manager of the sales department for three years at a salary of £500 for the first year, £525 the second year, and £550 the third year, on his signing the usual agreement.

CHAPTER V

SHAREHOLDERS' MEETINGS

IN many companies there are different classes of shareholders with different rights of voting. In some instances, these different classes meet separately, so that there are meetings of preference shareholders, meetings of ordinary shareholders, and meetings of deferred shareholders, as well as the annual general meeting of the company. General meetings are of various kinds. There is a so-called statutory meeting—the first general meeting of the members—which, to comply with the Companies Act, must be held within three months after the date on which the company is entitled to commence business. It is called for certain purposes prescribed by the Act. Then there are the ordinary general meetings of members, the business meetings held once a year to consider the report of the directors and the accounts, to declare a dividend if the profits warrant that course, to elect directors in the place of those who, under the Articles of Association, go out of office by rotation. This is normally the business of the annual meeting. There are also extraordinary meetings of members—meetings usually called to deal with special business.

STATUTORY MEETINGS

Section 130 of the Companies Act, 1948, contains the provisions regarding statutory meetings. They are as follows—

“(1) Every company limited by shares and every company limited by guarantee and having a share capital shall, within a period of not less than one month nor more than three months from the date at which the company

is entitled to commence business, hold a general meeting of the members of the company, which shall be called "the statutory meeting."

"(2) The directors shall, at least fourteen days before the day on which the meeting is held, forward a report (in this Act referred to as "the statutory report") to every member of the company:

Provided that if the statutory report is forwarded later than is required by this subsection, it shall, notwithstanding that fact, be deemed to have been duly forwarded if it is so agreed by all the members entitled to attend and vote at the meeting.

"(3) The statutory report shall be certified by not less than two directors of the company, and shall state—

"(a) the total number of shares allotted, distinguishing shares allotted as fully or partly paid up otherwise than in cash, and stating in the case of shares partly paid up the extent to which they are so paid up, and in either case the consideration for which they have been allotted ;

"(b) the total amount of cash received by the company in respect of all the shares allotted, distinguished as aforesaid ;

"(c) an abstract of the receipts of the company and of the payments made thereout, up to a date within seven days of the date of the report, exhibiting under distinctive headings the receipts of the company from shares and debentures and other sources, the payments made thereout, and particulars concerning the balance remaining in hand, and an account or estimate of the preliminary expenses of the company ;

" (d) the names, addresses and descriptions of the directors, auditors, if any, managers, if any, and secretary of the company ; and

" (e) the particulars of any contract, the modification of which is to be submitted to the meeting for its approval, together with the particulars of the modification or proposed modification.

" (4) The statutory report shall, so far as it relates to the shares allotted by the company, and to the cash received in respect of such shares, and to the receipts and payments of the company on capital account, be certified as correct by the auditors, if any, of the company.

" (5) The directors shall cause a copy of the statutory report, certified as required by this section, to be delivered to the Registrar of Companies for registration forthwith after the sending thereof to the members of the company.

" (6) The directors shall cause a list showing the names, descriptions and addresses of the members of the company, and the number of shares held by them respectively, to be produced at the commencement of the meeting, and to remain open and accessible to any member of the company during the continuance of the meeting.

" (7) The members of the company present at the meeting shall be at liberty to discuss any matter relating to the formation of the company, or arising out of the statutory report, whether previous notice has been given or not, but no resolution of which notice has not been given in accordance with the Articles, may be passed.

" (8) The meeting may adjourn from time to time. and at any adjourned meeting any resolution of which notice has been given in accordance with the Articles, either before or subsequently to the former meeting, may be passed, and the adjourned meeting shall have the same powers as an original meeting.

" (9) In the event of any default in complying with the provisions of this section every director of the company

who is knowingly and wilfully guilty of the default or, in the case of default by the company, every officer of the company who is in default shall be liable to a fine not exceeding fifty pounds.

“(10) This section shall not apply to a private company.”

It may be pointed out that the Act makes the holding of a statutory meeting compulsory on companies limited by shares, and companies limited by guarantee and having a share capital.

Section 42 must also be noticed. This section provides that a public company shall not, previously to the statutory meeting, vary the terms of a contract referred to in the prospectus or statement in lieu of prospectus, except subject to the approval of the statutory meeting. The object of this meeting is to give the shareholders an opportunity to learn the financial position and prospects of the company, and to allow of a discussion of the affairs of the company. But, as we have seen, no resolution may be passed unless notice has been given in accordance with the Articles.

Section 222 provides that a company may be wound up by the Court if default is made in depositing the statutory report or in holding the statutory meeting. As an alternative to this, the Court may under Section 225 (3) (a) order the meeting to be held. The regulations as to giving of notice are usually contained in the Articles, but it is laid down in the Act that the statutory *report* must be forwarded at least fourteen days before the date of the meeting. The usual procedure is to send the notice of the meeting with the statutory report.

ANNUAL GENERAL MEETINGS

Every company registered under the Companies Act, 1948, is required to hold a general meeting as its annual general meeting, in addition to any other meetings in the year. The meeting must be announced as such in the notice.

There must not be an interval of more than fifteen months between one annual general meeting and the next. If, however, a company holds its first annual general meeting within eighteen months of incorporation, it need not hold it in the year of incorporation or in the following year. See Section 131 of the Act.

The notice required for an annual general meeting is the same as that for a meeting at which a special resolution is to be proposed—twenty-one days. For any other general meeting the notice required is fourteen days (seven days if an unlimited company.) Articles may specify longer but not shorter notice. If a shorter notice is given, the meeting may be considered as duly called if so agreed by all the members entitled to attend and vote, in the case of an annual general meeting; in any other case, it must be so agreed by a majority of members holding not less than 95 per cent in nominal value of the shares or (in the case of a company without a share capital) 95 per cent of the total voting rights. In every notice there must appear a statement to the effect that a member entitled to attend and vote may appoint a proxy to attend and vote for him, and that such proxy need not be a member of the company.

The business transacted at general meetings may be either ordinary business or special business. It is generally laid down in the Articles that the following shall be considered ordinary business—declaring a dividend, consideration of accounts, the balance sheet, and the reports of directors and auditors, the election of directors and the appointment of and fixing the remuneration of the auditors. It is not necessary to give in the notice convening the meeting particulars of the ordinary business which it is proposed to transact, but in the case of special business the general nature of such must be stated in the notice, and if a special resolution is to be passed, the terms of it should be set forth.

Shareholders who attend meetings of the company are sometimes asked to sign their names in a book kept at the

entrance to the room in which the meeting is to be held. This plan is satisfactory in the case of a small attendance, but if the shareholders are numerous this method would probably lead to a good deal of congestion at the entrance. The better plan is to forward to each shareholder, with the notice of the meeting, a card of admission with a request that he should sign the card and hand it to the attendant on entering the room.

As in the case of a directors' meeting, the secretary should prepare the agenda in consultation with the chairman, and should also see that all arrangements have been made for the comfort of those who attend, and for the speedy and smooth conducting of the business. By the regulations of the company, the chairman of directors is generally appointed as chairman of all general meetings, though it is customary to make provision for the election of another person in the event of the chairman not being able to attend.

On taking the chair, the chairman ascertains that the quorum of members is present, and then commences the proceedings. He usually first calls upon the secretary to read "the notice convening the meeting." This serves as a formal statement of the purpose of the meeting, and as an introduction to its business. Some chairmen open the proceedings by asking the meeting whether they will take the notice as read. The meeting invariably indicates its consent, either by the traditional method of raising the right hand, or by shouting "Aye." At ordinary general meetings—the annual meetings of the company—the next item is the reading of the auditor's report, which is followed by the report and accounts which are to be submitted to the members. These have been previously circulated among the members, who presumably come to the meeting fully acquainted with them, and prepared to deal with them. These, too, it was the practice at one time to read out *in extenso* to the meeting. The practice has changed; and instead the chairman asks those present whether they will

take the report and accounts as read. Very rarely do they refuse to adopt that course. It may again be pointed out that although the accounts may be taken as read, the auditor's report must be *read at the meeting*.

Up to this point the secretary will have very little to enter in his note-book. His notes may be as brief as this—"General meeting 24 Nov., 19..., Winchester House; Chairman, James Smith; notice convening meeting taken as read; auditor's report read; report and accounts taken as read." Next comes the motion for the adoption of the report and accounts. This is moved by the chairman in a speech in which he dilates at greater or less length upon affairs of the company, its present position, its prospects for the future, and explains the projects which the directors have in view for increasing the business or the profits of the concern. He explains why the dividend is so low or how it has come about that it is so high, and refers to other relevant matters, the effect of the latest Budget, the danger of foreign competition, the appearance of a new patent, the death or resignation of a director, the valuable services of a manager, and so on. At the close of his address, another director, or a shareholder who is not a director, seconds the motion. Often the seconder confines himself to a simple statement that he rises to second the adoption of the report and accounts. Sometimes he makes a speech—usually a much shorter one than that of the chairman.

Now the subject is open for discussion by the whole meeting. Questions may be addressed to the chair with reference to particular items in the accounts, or particular steps taken by the directors or as to their failure to take certain other steps. Speeches may be made in support or in criticism of the report and accounts. In most instances this is all that occurs. No amendment is proposed, and when it appears that no further speakers desire to address the meeting, the chairman puts the motion, which is adopted.

As a general rule, the business is put to the meeting in the form of "motions," and although it is the usual practice to have the motions formally proposed and seconded, it is not absolutely necessary that they should be seconded unless the Articles stipulate this as the course of procedure.

Table A (Clause 58) and most Articles contain a clause to the effect that the voting on resolutions shall be by show of hands unless before or on the declaration of the result of the show of hands a poll is demanded. The subject of voting is more fully considered in a later chapter.

Vacancies on the Board have to be filled. Nominations for these offices have already been received and have been mentioned in the notice sent out to the shareholders. It is usually intimated that the retiring directors, being eligible, offer themselves for re-election. Sometimes there is a contest for the appointment of directors, but a contest does not often occur. It is desirable in any case to make a note of the actual mover and seconder of the proposition to elect any particular person as director. The appointments of directors of a public company must be voted on individually unless the meeting agrees *nem. con.* otherwise.

Auditors are elected, if necessary, and unless the directors' remuneration is fixed by the Articles of Association the amount is determined by resolution at the meeting. In some cases an additional sum beyond the minimum fixed by the Articles is awarded. This must be done by resolution properly moved, seconded and carried by a majority of the shareholders present or represented.

A few points about auditors may be noted. Those appointed at an annual general meeting hold office from the conclusion of that meeting until the conclusion of the next annual meeting. A retiring auditor is reappointed without a resolution unless (a) he is not qualified for reappointment; or (b) a resolution has been passed at that meeting that he shall not be reappointed, or appointing someone in his stead; or (c) he has given the company notice in writing of his unwillingness to act.

FORM OF NOTICE. STATUTORY MEETING.

.....COMPANY LIMITED.

NOTICE IS HEREBY GIVEN that the STATUTORY MEETING of the COMPANY, LIMITED, called in accordance with Section 130 of the Companies Act, 1948, will be held at the registered office of the Company, London Wall, London, E.C.2, on Friday, the 19th day of June, 19.. at 12 o'clock, noon. A copy of the report required to be submitted to the meeting under Section 130 of the Companies Act, 1948, is sent herewith.

A member entitled to attend and vote may appoint a proxy to attend and vote for him, and such proxy need not be a member of the company.

By order of the Board,

.....

Secretary.

REGISTERED OFFICE,
421 LONDON WALL,
LONDON, E.C.2.
3rd June, 19..

AGENDA

1. Read notice convening the meeting.
2. Chairman to explain that the meeting is held to comply with Section 130 of the Companies Act, 1948.
3. Chairman to make a statement on the statutory report, and explain the present position of the Company and invite questions.
4. Vote of thanks to Chairman.

MINUTES

STATUTORY MEETING held
at the registered office of the Company at 12 o'clock, noon.
..... in the Chair.

The notice convening the meeting was read.

The Chairman reported that the meeting was called to comply with Section 130 of the Companies Act, 1948.

The Chairman explained the satisfactory position of the Company, and the statutory report sent to the shareholders with the notice of the meeting was considered and approved.

A vote of thanks was accorded to the Chairman, who suitably replied, and the meeting then terminated.

(Signed)

.....

Chairman.

THE NEW ERA COMPANY, LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at the registered offices of the Company, 42 Market Street, London, E.C.4, on Friday, 30th November, 19.., at four o'clock in the afternoon, for the purpose of passing the Directors' Report and Accounts, to elect a Director, to declare Dividends, and for the ordinary business of the company.

A member entitled to attend and vote may appoint a person as his proxy to attend and vote in his stead, and such other person need not be a member of the company.

By order of the Board,

ARTHUR ELLIS,

Secretary.

42 MARKET STREET,

LONDON, E.C.4

1st November, 19...

SPECIMEN OF CARD OF ADMISSION TO SHAREHOLDERS' MEETING

No.

THE NEW ERA COMPANY, LIMITED

ANNUAL MEETING OF SHAREHOLDERS TO BE
HELD AT 42 MARKET STREET, LONDON, E.C.4, ON
FRIDAY, 30TH NOVEMBER, 19.., AT FOUR O'CLOCK
IN THE AFTERNOON.

.....
Member.

This card must be signed by the member before
admission to the meeting.

Special notice is required for a resolution at a company's annual meeting appointing as auditor a person other than the retiring auditor, or providing expressly that a retiring auditor shall not be reappointed. On receipt of such notice, a company must send a copy of it to the retiring auditor, if any.

Formal votes of thanks, to the directors for their services during the preceding year, and to the chairman for presiding, usually bring the proceedings to a close.

Fifth Annual General Meeting at the Registered Offices of the Company, on Friday, 30th November, 19. ., at 4 o'clock.

AGENDA

- (1) Secretary to read the notice convening the meeting.
- (2) Secretary to read the Auditors' Report.
- (3) Ask the meeting whether the Directors' Report and Accounts as printed and submitted shall be taken as read.
- (4) Chairman's speech, and he will then
 - (i) Move that the Report and Accounts as audited and certified by the Company's Auditors, now before the meeting, showing the position of the Company's affairs as at 30th September, 19. ., be approved and adopted.
 - (ii) Call on Mr. J. Elliott to second the motion.
 - (iii) Invite discussion.
 - (iv) Reply to questions, put the motion to the meeting and declare the result.
- (5) Shareholder to move and another to second—

“That Mr. John Jones having signified his willingness to serve again as Auditor, his fee be fixed at Fifty Guineas.”
- (6) Mr. James Elliott will move—

“That Mr. Francis Robinson, J.P., be elected a Director of the Company in the room of Mr. John Lonsdale, the retiring Director.”

Call on Colonel Huntley to second the motion.
Put motion to meeting and declare result.

(7) The Chairman will move—

“ That the Dividends recommended to be paid by the Directors in their Annual Report, viz., 6 % on the Preference Shares, and 10 % on the Ordinary Shares for the year, be approved.”

Call on Mr. John Lonsdale to second the motion.

Put motion to the meeting and declare result.

MINUTES

The Fifth Annual General Meeting of the Company was held on Friday, 30th November, 19.., at 4 o'clock, at the registered offices of the Company.

Present—Mr. Donald Harper (chair), Messrs. J. Lonsdale, S. Johnson, J. Elliott (Directors), with twenty shareholders.

In attendance—William Price, Solicitor. Arthur Ellis, Secretary.

(1) The notice convening the meeting was taken as read.

(2) The report of the Auditors on the accounts at the 30th Sept., 19.., was read.

(3) The Directors' Report and Accounts, duly certified by the Company's Auditors, were taken as read.

(4) **RESOLVED:** That the report and accounts, as audited and certified by the Company's Auditors, now before the meeting, showing the position of the Company's affairs as on the 30th September, 19.., be approved and adopted.

(5) **RESOLVED:** That the fee of the Auditor, Mr. John Jones, be fixed at Fifty Guineas.

(6) **RESOLVED:** That Mr. Francis Robinson, J.P., be elected a Director of the Company in the room of Mr. John Lonsdale, the retiring Director.

(7) **RESOLVED:** That the Dividends recommended to be paid by the Directors in their Annual Report, viz., 6% on the Preference Shares and 10% on the Ordinary Shares for the year, be approved.

(8) A hearty vote of thanks was accorded to the Board.

(Signed) DONALD HARPER,

Chairman.

FURTHER SPECIMEN MINUTES OF AN ANNUAL GENERAL MEETING

Annual General Meeting of the Company held at Winchester House, Old Broad Street, London, on Monday, 25th September, 19...

Present: Mr. J. H. Donald (Chairman of the Board of Directors), in the chair; Messrs. W. M. French, H. Beach, C. M. King, and E. T. Kingston, directors;

Mr. A. T. Wood, secretary; Mr. C. T. Ackroyd, solicitor; and shareholders.

The secretary read the notice convening the meeting and the report of the auditor. [*Or* the notice convening the meeting was taken as read, and the secretary read the auditor's report.]

Minutes of Statutory Meeting held on 29th March, 19..., read and confirmed.

Report, etc.

The report of the directors and the accounts issued therewith were taken as read, and it was

RESOLVED: That the report and accounts as presented be and the same are hereby adopted.

Dividend.

RESOLVED: That a dividend at the rate of £5 per cent per annum be declared and paid on the cumulative preference shares of the company.

RESOLVED: That a dividend at the rate of £10 per cent per annum be declared and paid on the ordinary shares of the company.

Directors.

RESOLVED: That the retiring director, Mr. H. Beach, be re-elected.

RESOLVED: That the retiring director, Mr. C. M. King be re-elected.

Auditors.

RESOLVED: That Messrs. Wandle and Stunt be elected as auditors to the company and that their remuneration for the ensuing year be £100.

Votes of Thanks.

RESOLVED: That the best thanks of the meeting be accorded to the directors for their conduct of the business of the company for the past year.

A vote of thanks to the Chairman for presiding concluded the proceedings.

NOTE.—The number of shareholders present at the meeting will be ascertained from the book in which shareholders are requested to sign on entering the place of meeting, or from the admission cards.

It is not usual to set out in the minutes the report and accounts referred to. This, however, is done sometimes when the directors require it. In that case it is customary, instead of copying the report and accounts out afresh, to paste in a printed copy of them, the minute of the resolution then running in somewhat the following terms—

That the following report and accounts be and the same are hereby adopted—[the report and accounts following at this point].

Where this course is not adopted it is always desirable to paste into the minute book a copy of the report and accounts.

EXTRAORDINARY GENERAL MEETINGS

Extraordinary general meetings may be summoned for a variety of purposes, e.g. to amend the Articles of Association, to decide to wind up the company, or for any other purpose which the directors under the Articles of Association or under some other limitation of their powers can carry into effect only with the express sanction of a members' meeting.

In fact, the Articles give power to the directors to call an extraordinary meeting whenever they think fit, and extraordinary general meetings must also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 132 of the Act. This section provides—

“(1) The directors of a company, notwithstanding anything in its Articles, shall, on the requisition of members of the company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the company as at the date of the deposit carries the right of voting at general meetings of the company, or, in the case of a company not having a share capital, members of the company representing not less than one-tenth of the total voting rights of all the members having at the said date a right to vote at general meetings of the company, forthwith proceed to convene an extraordinary general meeting of the company.

“(2) The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the company, and may consist of several documents in like form, each signed by one or more requisitionists.

“(3) If the directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

“(4) A meeting convened under this section by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.”

“(5) Any reasonable expenses incurred by the requisitionists by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitionists

by the company, and any sum so repaid shall be retained by the company out of any sums due or to become due from the company by way of fees or other remuneration in respect of their services to such of the directors as were in default.

“(6) For the purposes of this section, the directors shall, in the case of a meeting at which a resolution is to be proposed as a special resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by Section 141 of this Act.”

Sections 133–135 of the Act provide—

“ 133. (1) Any provision of a company’s Articles shall be void in so far as it provides for the calling of a meeting of the company (other than an adjourned meeting) by a shorter notice than—

(a) in the case of the annual general meeting, twenty-one days’ notice in writing; and

(b) in the case of a meeting other than an annual general meeting or a meeting for the passing of a special resolution, fourteen days’ notice in writing in the case of a company other than an unlimited company and seven days’ notice in writing in the case of an unlimited company.

(2) Save in so far as the Articles of a company make other provision in that behalf (not being a provision avoided by the foregoing subsection) a meeting of the company (other than an adjourned meeting) may be called—

(a) in the case of the annual general meeting, by twenty-one days’ notice in writing; and

(b) in the case of a meeting other than an annual general meeting or a meeting for the passing of a special resolution, by fourteen days’ notice in writing in the case of a company other than an unlimited company and by seven days’ notice in writing in the case of an unlimited company.

(3) A meeting of a company shall, notwithstanding that it is called by shorter notice than that specified in the last

foregoing subsection or in the company's Articles, as the case may be, be deemed to have been duly called if it is so agreed—

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving a right to attend and vote at the meeting, or, in the case of a company not having a share capital, together representing not less than ninety-five per cent of the total voting rights at that meeting of all the members.

134. The following provisions shall have effect in so far as the Articles of the company do not make other provision in that behalf—

- (a) notice of the meeting of a company shall be served on every member of the company in the manner in which notices are required to be served by Table A, and for the purpose of this paragraph the expression "Table A" means that Table as for the time being in force;
- (b) two or more members holding not less than one-tenth of the issued share capital or, if the company has not a share capital, not less than five per cent in number of the members of the company may call a meeting;
- (c) in the case of a private company two members, and in the case of any other company three members, personally present shall be a quorum;
- (d) any member elected by the members present at a meeting may be chairman thereof;
- (e) in the case of a company originally having a share capital, every member shall have one vote in respect of each share or each ten pounds of stock

held by him, and in any other case every member shall have one vote.

135.—(1) If for any reason it is impracticable to call a meeting of a company in any manner in which meetings of that company may be called, or to conduct the meeting of the company in manner prescribed by the Articles or this Act, the court may, either of its own motion or on the application of any director of the company or of any member of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the court thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient; and it is hereby declared that the directions that may be given under this subsection include a direction that one member of the company present in person or by proxy shall be deemed to constitute a meeting.

(2) Any meeting called, held and conducted in accordance with an order under the foregoing subsection shall for all purposes be deemed to be a meeting of the company duly called, held and conducted."

If joint holders of shares join in the requisition all must sign unless the Articles authorize one to sign for all. Notice of the meeting must be given in accordance with the Act. The regulations of a company usually define what an ordinary meeting is, and then state that all other meetings shall be extraordinary meetings. It must not be forgotten that if special business is to be transacted, the general nature thereof must be specified in the notice, and if a special resolution is to be put, the terms of the resolution must be set out in the notice.

Extraordinary general meetings open in the same manner as ordinary general meetings, the notice convening the meeting usually being read. There may or may not be a report to consider: in most cases there is not. Very commonly the meeting is called to consider, and if approved to pass, a resolution which has been carefully

framed beforehand, and which is set out *in extenso* in the notice calling the members together. In some cases the nature of the resolution is such that the chairman is not at liberty to accept any amendment, the meeting having no option but to pass the resolution as it stands or to reject it entirely.

It is not necessary to discuss in this chapter the various kinds of resolutions to which these remarks severally apply. The point that is to be borne in mind by anybody who undertakes the task of making at an extraordinary meeting the requisite notes from which the minutes of that meeting are afterwards to be framed, is that a special importance attaches to the extraordinary meeting and to the voting at that meeting.

NOTICE OF EXTRAORDINARY MEETING

..... COMPANY, LIMITED,

LONDON WALL,
LONDON, E.C. 2
14th March, 19...

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the above named Company will be held at the Company's offices as above mentioned on MONDAY, 5th April, 19.., at 12 o'clock, noon, for the purpose of considering, and if deemed advisable, passing the following as special resolutions—

1. That the following Article be substituted for Article 29 of the Articles of Association, that is to say:
"The number of Directors shall be not less than 3 nor more than 6."
2. That the 50,000 ordinary shares of £1 each be, and they are hereby converted into, ordinary stock for £50,000 which shall be transferable on the usual transfer form in any sum of £1 or a multiple thereof.

By order of the Board,

.....
Secretary.

AGENDA

1. Call upon the Secretary to read notice convening the meeting.

2. Chairman to explain the effect of the proposed alteration of Article 29, and to move that the following Article be substituted for Article 29 of the Articles of Association, that is to say: "The number of directors shall be not less than three nor more than six."

3. Call upon Mr. Brown to second the motion.

4. Invite discussion.

5. Put motion to the meeting, take vote and declare result.

6. Chairman to explain the reason for the proposed conversion of shares into stock.

7. Chairman to move "that the 50,000 ordinary shares of £1 each be, and they are hereby converted into ordinary stock for £50,000 which shall be transferable on the usual transfer forms in any sum of £1 or a multiple thereof."

8. Call on Mr. Dixon to second the motion.

9. Invite discussion.

10. Put motion to the meeting, and declare result.

11. Thank the shareholders for attending.

MINUTES

EXTRAORDINARY GENERAL MEETING held at the registered office of the Company on 5th April, 19..

Present

together with the required quorum of shareholders.

The Secretary read the notice convening the meeting.

RESOLVED—That the following Article be substituted for Article 29 of the Articles of Association, that is to say :
“ The number of directors shall be not less than three nor more than six.”

RESOLVED—That the 50,000 ordinary shares of £1 each be, and they are hereby converted into ordinary stock for £50,000 which shall be transferable on the usual transfer form in any sum of £1 or a multiple thereof.

CIRCULATION OF MEMBERS' RESOLUTIONS

It is the duty of a company on the requisition of the number of members mentioned below, and at their expense unless the company decides otherwise, to give to members entitled to attend an annual general meeting, notice of any resolution to be moved at that meeting. Also, on such requisition, the company must circulate to members any statement of not more than 1,000 words regarding the business to be dealt with at that meeting. The number of members necessary for a requisition is either—

(a) Any number representing at least one-twentieth of the total voting rights of all the members having the right to vote at the meeting concerned; or

(b) Not less than 100 who hold shares on which an average sum per member of £100 has been paid up.

A company need not circulate the resolution or statement unless (1) a signed copy of the requisition requiring notice of a resolution is deposited with the company not less than six weeks before the meeting, or, in the case of any other requisition, one week before; and (2) a sum reasonably sufficient to meet expenses is deposited or tendered.

NOTICE OF RESOLUTION

Where special notice is required of a resolution, the resolution is not effective unless notice of intention to move it has been given to the company not less than twenty-eight days before the meeting, and the company must give members notice of such resolution at the same time and in

the same manner as it gives notice of meeting or, if that is not practicable, by advertisement or otherwise as allowed by the Articles, not less than twenty-one days before the meeting. This special notice is required (1) for appointing as auditor a person other than an auditor retiring at the meeting, or for resolving that a retiring auditor be not re-appointed; (2) for removing a director by ordinary resolution or for appointing another person in place of a director so removed; (3) for appointing as director a person who has reached any age limit applicable to him.

CHAPTER VI

MEETINGS OF SOCIETIES, ASSOCIATIONS, ETC.

ALTHOUGH much of what has been stated in previous chapters is applicable to the meetings of societies and associations of all kinds, it is proposed to give in this chapter an outline of the duties of the secretary to such a body, in regard to meetings.

Literary societies, debating societies, philanthropic associations, etc., are usually governed by a committee who formulate rules for the regulation of the business procedure. The first duty of the secretary is to acquaint himself thoroughly with these rules in order that the business of the society may be carried on in accordance with the aforesaid regulations. Meetings of the committee are usually held on certain fixed days, e.g. the second Wednesday in each month, but this notwithstanding, it is customary to forward to each member, a few days before the meeting, a notice specifying the date, time and place of meeting, and sometimes an intimation of the business with which it is proposed to deal. In other cases, the notice will invite the members to forward to the office of the society, particulars of any business which they desire to introduce to the meeting; and where this method is adopted, the secretary should request the members to forward these notices of motion a few days before the date of the meeting.

Prior to the meeting, the secretary, after consulting the chairman, should prepare the agenda, that is to say, he should tabulate the items which are to form the business of the meeting, the order being that in which it is proposed they should be dealt with. In some societies it is the custom to forward a copy of the agenda to each member a day or two before the date of the meeting and

to enclose with it copies of any letters or other documents which will come up for consideration at the meeting. This procedure gives the members of the committee the opportunity to think over the various matters before they attend the meeting. They thus arrive at the meeting with minds prepared and ready to deal promptly with the items as they are brought forward. Where this method is not adopted, the agenda would be handed to each member on arrival. It is the duty of the secretary to see that the arrangements made for the meeting are such as will facilitate its smooth working. He should see, for example, that the room is suitably heated, that the accommodation is ample, and that the supply of stationery, pens, ink, etc., is adequate.

More important still is it that any books, documents or papers which may be required are easily and readily accessible. This, of course, means that the secretary must consider carefully, before the meeting takes place, what things are likely to be asked for, and see that they are so placed that they can be obtained immediately a request for them is made.

The chairman will take the seat at the head of the table, and the secretary usually sits next to him, while the members of the committee range themselves round the table in convenient places. A few spare copies of the agenda should be available for those who are not already supplied. As the members enter the room, the secretary should ask them to sign the Attendance Book; and before the business of the meeting commences, he or the chairman should make sure that a quorum of members is present, a quorum being the minimum required by the constitution of the society to be present to constitute a meeting. On being satisfied on this point the chairman will open the proceedings.

Although the sequence in which the items are taken is usually that in which they are stated on the agenda, the chairman may vary this if the meeting agrees. Normally,

at meetings of the kind referred to, the business would be dealt with in something like the following order—

Reading of minutes of previous meeting,
 Confirming of above minutes,
 Business arising out of minutes,
 Finance,
 Any routine business,
 Reports of sub-committees (if any),
 Special business which has been notified.

As the meeting proceeds, the secretary will be asked all manner of questions, and will be expected to give any information asked for on the topics under discussion. In addition, he will have to take notes of the proceedings in order that he may write up the minutes afterwards. As has been indicated in another part of this book, the writing of the minutes in the minute book should be done as soon as possible after the termination of the meeting while the matters are fresh in the mind of the secretary. As the manner of taking and recording minutes is fully dealt with in the earlier chapters, no further reference need be made here.

The annual meeting of the members of a society is conducted on much the same principles as those already described, except that it is a more formal affair. The secretary will be entrusted with the arrangements, and it will also be his duty to see that the notices are sent out in accordance with the regulations. The notice, besides giving the date, time and place of the meeting, usually contains an outline of the business to be transacted, and the wording of any important resolution which the meeting will be asked to pass.

A detailed agenda should be prepared by the secretary after consultation with the chairman, and as many copies as are considered necessary should be made.

When the time for the commencement of the meeting has arrived, the chairman, after satisfying himself that a

quorum of members is present, will proceed with the business which normally will be dealt with in something like the following order—

Secretary to read minutes of last general meeting,
Report and accounts presented for adoption,
Election of officers,
Special business ; e g. alteration of rules,
General discussion of the society's affairs,
Votes of thanks.

The specimens given on the following pages illustrate the type of agenda and minutes used by societies such as those referred to in this chapter.

SPECIMEN AGENDA

HOMMERTON WELFARE ASSOCIATION

Meeting of the Executive Committee,

Monday, 21st January, 19..,
2.30 p.m.

AGENDA.

1. Minutes of the Meeting held on 22nd December, 19..
2. Financial Statement and Auditor's Report.
3. Annual Report.
4. Secretary's Report of Donations received.
5. Arrangements for the establishment of a " Junior Welfare Club " for boys and girls, at 32 King Street.
6. Consideration of the question of Life Membership of the Association.
7. Consideration of invitation received to send Delegates to the Congress of Practical Philanthropy in Paris.
8. Other Business.

CHARLOTTE BROWN.
Secretary.

SPECIMEN MINUTES

(COMMITTEE MEETING)

Attendance

A Meeting of the Executive Committee of the Himmerton Welfare Association was held in the Board Room at 22 Bateman Street, on Monday, 21st January, 19.., at 2.30 p.m.

Present :—

The Rev. A. H. Wilson, in the Chair.
Miss Ashton.
Mr. Arthur Evans.
Mrs. Gardner.
Mr. John Ripley.
Mr. Herbert Spence.
Mr. W. Watson.
Mrs. Charlotte Brown, Secretary.

Minutes

The Minutes of the meeting held on 22nd December were read. It was pointed out that the Donation of ten guineas by Mrs. Gardner was not intended for the general funds of the Association, as stated in the Minutes, but was intended for the Junior Welfare Club. With this alteration, the Minutes were signed as correct.

Financial
Statement and
Auditor's Report

Read by the Secretary, the Financial Statement and Auditor's Report as annexed.

Investment of
£300

Resolved—

" That the sum of £300 be invested in some Trustee security, and that the Secretary be authorized to consult with Messrs. Norman & Co. with regard to a suitable security, and invest the sum specified."

Annual Report

Resolved—

" That the Annual Report, as annexed, be taken as read, and be laid before the Annual General Meeting of the Association on February 12th."

Junior Welfare Club

The Secretary reported the following special Donations to the Fund for the Junior Welfare Club—

Special Donations for J. W. Club

	£	s.	d.
Mrs. Beckett	10	10	0
Messrs. Hobson & Co. ..	5	5	0
Mr. Richardson	2	2	0
Miss Nuttall	1	1	0
Anonymous	1	0	0

New Premises for J. W. Club

Resolved—

"That the premises in 32 King Street be taken for the Junior Welfare Club, that the Society's solicitors be asked to draw up an agreement with the landlord, and that the secretary be empowered to sign this on behalf of the Association."

Sub-Committee for J. W. Club

Resolved—

"That a Sub-Committee consisting of
The Chairman
Miss Ashton
Mrs. Gardner

be appointed to deal with the arrangements necessary for starting the Junior Welfare Club, and be authorized to expend £40 on furnishing and equipment of the new premises."

Life Membership

Read letter as annexed from the Society's auditor.

Resolved—

"That Donations of £25 and upwards to the Funds of the Association shall constitute a title to Life Membership."

Congress of Practical Philanthropy

Resolved—

"That the invitation to send two delegates to the Congress of Practical Philanthropy in Paris, be accepted, and that Mrs. Gardner and Mr. Herbert Spence be asked to be Delegates."

The Secretary was instructed to place Mr. Eastwood's letter on the Agenda for the next meeting.

SPECIMEN AGENDA

ANNUAL GENERAL MEETING OF THE HOMMERTON
WELFARE ASSOCIATION

Tuesday, 12th February, 19..

AGENDA.

1. Minutes of the Meeting held on 15th February, 19..
2. Annual Report.
3. Financial Report and Balance Sheet.
4. Election of Executive Committee for 19..
5. Appointment of Auditor for 19..
6. Proposed alteration to Rule V of the Constitution—
 - (a) That the following words be omitted—
"and shall be eligible for re-election."
 - (b) That the following words be added—
"and shall not be eligible for re-election until an interval
of three years shall have elapsed from the date of retirement."

Proposed by Mr. Austin Vail.

Seconded by Mr. Herbert Baker.

(Rule V now runs—"That the Executive Committee shall consist of fifteen members to be elected by the Annual General Meeting of the Association, three of whom shall retire each year in rotation, and shall be eligible for re-election.")

7. Resolution—That the Association shall proceed at once to establish Welfare Clubs in the suburbs of the town wherever such Clubs may seem desirable; that the Committee be asked to undertake the work of organization, and should open a subscription list for the purpose.

Proposed by Mrs. Dale.

Seconded by Mr. Johnston.

Vote of Thanks to the Chair.

CHARLOTTE BROWN
Secretary.

SPECIMEN MINUTES

(GENERAL MEETING)

The twenty-fourth Annual General Meeting of the Hommerton Welfare Association was held in the Town Hall, on 12th February, 19.., at 3 p.m.

Chair

The Chair was taken by Sir Henry Morley, Bart, M.P.

Minutes

The Minutes of the preceding Annual Meeting, held on 15th February, 19.., were read and approved.

Letters of regret were read from the Bishop of Hommerton, Sir Archibald Travers, and Mrs. Ashton, who were prevented from attending the Meeting.

**Annual Report
Financial Report
and Balance Sheet**

The Chairman gave a brief survey of the year's work, and the adoption of the Report, Financial Report, and Balance Sheet was moved by Mr. Harding, seconded by Mr. John Clarke, and carried unanimously.

**Appointment of
Auditor**

The re-appointment of Mr. Charles Thurgood as auditor for 19.., was moved by Mr. Gates, seconded by Mr. Farrant, and carried unanimously.

HOW TO TAKE MINUTES

Election of
Executive
Committee

The following names were submitted to the Meeting as Candidates for election to the Executive Committee—

<i>Name of Candidates</i>	<i>Proposer</i>	<i>Second</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		

The vote was taken by ballot, and Mr. Dawson and Mr. Frank Gardner were appointed as tellers.

Proposed
Alteration to
Rule V

The following proposal for the alteration of Rule V of the Constitution was proposed by Mr. Austin Vail and seconded by Mr. Herbert Baker—

- (a) That the following words be omitted—
"and shall be eligible for re-election."
- (b) That the following words be added—
"and shall not be eligible for re-election until an interval of three years shall have elapsed from the date of retirement."

The following amendment to the Resolution was proposed by Mr. Mansfield, seconded by Mrs. Fisher—

That the addition to Rule V should run—
"and shall not be eligible for re-election until an interval of one year shall have elapsed from the date of retirement."

On the division, the vote taken was—

For the amendment 53

Against 80

The amendment was therefore negatived by 27 votes.

The Resolution was then put to the vote, and the result of the division was—

For the Resolution	45
Against	88

The Resolution was therefore negatived by 43 votes.

Extension of work

The following Resolution was proposed by Mrs. Dale, seconded by Mr. Johnston—

“That the Association shall proceed at once to establish Welfare Clubs in the suburbs of the town, wherever such Clubs may seem desirable; that the Committee be asked to undertake the work of organization, and should open a subscription list for the purpose.”

The Resolution was supported by Mrs. Gardner, Mr. Curtis, Miss Thurston and Mr. Andrew Driver. On the division, the Resolution was carried with four dissentients.

Vote of Thanks

A vote of thanks to the Chairman was proposed by Mr. Fletcher, seconded by Mr. Houghton, and carried unanimously.

CHAPTER VII

MINUTES OF A MUNICIPALITY

It is of the utmost importance that the minutes of proceedings at *all* meetings—whether of council or committees—should be faithfully recorded and duly signed; otherwise a local authority may at some future date be confronted with a position resulting in considerable monetary loss.

The various powers and duties (excluding the making of a rate and raising of a loan) attaching to a municipal authority are delegated to various committees of the council, subject, of course, to subsequent confirmation by the latter; these committees are composed of members of the council, elected by the latter in full meeting, and in certain instances, *e.g.*, libraries, maternity and child welfare, co-opted members (not being members of the council) in addition. It naturally follows, having regard to the above, that a considerable amount of work devolves upon the various committees, and it is essential that there should be in existence "Standing Orders" or "By-Laws" which shall clearly not only define the procedure at meetings of the council but also definitely state the powers and duties allotted to each committee.

The minutes of each committee are written in a book, or typewritten on loose sheets of paper subsequently fastened together and placed in a permanent binder; these minutes should be read at the next ordinary meeting of the committee, and, if approved as a correct record of the proceedings at the meeting to which they refer, signed by the chairman before passing to the next business; a practice obtaining in many places is for the chairman to initial each page of the minutes also, in order to prevent as far as possible doubt in future as to the authenticity of any record appearing in the body thereof.

Now the matters to be dealt with at a committee meeting may be broadly divided into the following classes—

- (a) Upon which, according to the by-laws, the committee is empowered to act on its own initiative without awaiting sanction of the council (such matters are usually of an urgent nature or comparatively trivial importance), but subsequently reporting to the latter the action taken, approval of which is recommended.
- (b) Upon which it is essential under the by-laws
 - (i) to make a *recommendation* to the council, or merely
 - (ii) to report to the council, no recommendation being deemed necessary.

For the purpose of illustrating the position we may take the agenda paper for a meeting of the finance committee of a local authority, and, assuming that the following items appear thereon, they would probably be dealt with as indicated—

(a) *Action taken—reported to Council for approval.*

- (1) Acceptance of offer in respect of damage to lamp standard.
- (2) Issue of advertisement re appointment of junior.
- (3) Automatic increments of salary to members of the administrative staff sanctioned. (Financial effect thereof would be reported to council.)

(b) (i) *To make a recommendation to the Council.*

- (1) Approval of annual rate estimates for the year ending .
- (2) Making and levying of a general rate of in the £ for the half-year ending .
- (3) That approval be given to the financial proposals relative to a scheme of road reconstruction works amounting to £ .
- (4) That application be made to the Ministry of Transport for a contribution towards the case referred

to in (3) and for sanction to a loan for the balance of the expenditure.

- (5) For approval of the payment of the list of accounts due by the council, detailed in the council agenda.

(b) (ii) *Report to the Council—no recommendation being necessary.*

- (1) Statement of borough accountant as to wages paid to council's employees during weeks ended .
- (2) Applications for hire of town hall granted.
- (3) Receipt of departmental sanctions to loans (detailed).

It is necessary to observe at this point that, so far as municipal authorities are concerned, the reports and recommendations of the various committees are printed and forwarded to the members of the council in the form of an agenda a few days before the meeting of the council. Subsequently the decisions of the council are either—

- (1) Embodied in the appropriate place in a reprint of the council's agenda and circulated amongst members as representing the minutes of the meeting to which they refer, or
- (2) Printed separately (with reference to the numbered paragraphs of the agenda paper concerned) and dispatched with the agenda paper for the council at its next meeting.

The disadvantage attaching to the latter method is that, in order to ascertain the fate of a committee's recommendation at the full meeting of the council, it is necessary to have reference to two documents, viz.: the agenda paper and subsequent minutes; undoubtedly councillors and others find this a source of annoyance and waste of time, whereas under the former method the ultimate decision of the council is revealed in its appropriate place, i.e. immediately following the committee's recommendation; it will be appreciated, however, that this system also has a disadvantage in so far as the cost of printing is very

much heavier, involving as it does the *reproduction of the whole* of the agenda paper with the insertion of the council's resolutions.

In view of the information and guidance given elsewhere in this book upon the preparation of minutes, it has not been deemed necessary to deal at length with this phase of the subject, but it will be readily recognized that, having regard to the multifarious duties cast upon municipal authorities (necessitating a considerable number of committees), the recording of minutes at a meeting of the council is no light task. It is not unusual to find two or three committee clerks in attendance, each being deputed to record the decisions arrived at in connection with certain committees' reports allotted to them; this, however, is a question for local consideration, depending to a large extent upon the size of the municipal authority concerned.

Should any amendments be carried at the council meeting it is as well they should be written out by the mover and handed to the gentleman presiding over the meeting; here, again, however, this is a matter for discretion, e.g. in the case of a direct reference back of a recommendation to a committee for further consideration and report, such a procedure would hardly be deemed necessary.

It is necessary, perhaps, to emphasize the importance of correctly recording the *intention* underlying resolutions passed—be they passed at meetings of committees or the council; should any doubt arise in the mind of the clerk recording the minute he should not hesitate to ask the proposer and seconder to repeat their motion and if necessary he should read it—from his shorthand notes—to the meeting before a vote is taken; it is annoying to find subsequently that certain members, having supported the motion, express the view that their intention is not correctly interpreted by a resolution appearing on the minutes.

CHAPTER VIII

VOTING

IN so far as the subject of voting has been referred to, it has been assumed that nobody present voted against the resolution—that it was carried unanimously, or that it was carried by the passive acquiescence and therefore inferentially with the consent of everybody present; nobody, by holding up his hand, or by actually stating that he votes against it, objecting to the resolution. Sometimes it is thought desirable (though in general it is unnecessary) to enter in the minutes “Carried unanimously.” Often this entry is wrongly made. Strictly speaking, “carried unanimously” means that everybody present, without exception, actually voted in support of the resolution. At a small meeting, that sometimes happens. At a directors’ meeting it frequently happens. But at large meetings, even when there is no expressed opposition, it seldom happens. There are nearly always some persons present who refrain from voting. Indeed a careful observer will notice that there are certain individuals who hardly ever hold up a hand in support of any motion or amendment. When a chairman, having put a resolution to a meeting and invited votes for and against it, notices that a large section of the meeting indicates its desire that the resolution shall pass, and that nobody holds up a hand against it, he usually says “Carried.” Sometimes he says “Carried unanimously,” which, in the instance supposed, is not technically correct. The exact announcement should be “Carried, nobody objecting,” or “nobody dissenting.” This fact is occasionally indicated by the Latin phrase “*nemine dissentiente*,” sometimes reduced to the abbreviated form “*nem. dis.*”; or by “*nem. con.*” (*nemine contradicente*), i.e. no one contradicting.

There are instances in which complicated methods of voting are in force. There are companies which give their shareholders a right to one vote in respect of each share held by them, so that one shareholder may have ten votes and the man seated next to him at the meeting may have one thousand. Other companies give their shareholders one vote in respect of every ten shares ; and there are other diversities of practice in this respect. As a rule, no necessity arises for taking into account the different interests of shareholders in this respect, the general practice being to take a show of hands as final and decisive, unless the result of that method of voting is challenged as soon as it is announced, and a poll is demanded.

Where a member of the Board or a shareholder who is not a member of the Board abstains from voting and does so on the express ground that for some stated reason his vote would be invalid or improper, the fact may be recorded on the minutes together with a memorandum of the reason given. It may be that the shareholder who abstains from voting does so on the ground that he is interested as part proprietor in certain property which the resolution binds the company to purchase. It may be that he holds shares in another company with which the particular company of which he is a director proposes to enter into a contract—in other words, that he is interested in the contract, and is a person who in some immediate or remote way will benefit by it. It may be that the resolution which he refrains from voting upon relates to an intended contract with a firm of which he is a member. And there may be other equally sound and important reasons for his abstention. They need not be set out in full. Generally speaking, a memorandum to the following effect will be sufficient—" Mr. Smith, being interested in the proposed contract, abstained from voting."

At meetings of directors each director usually has one vote, and the Articles generally give to the chairman an

additional vote, called a casting vote, which he can exercise in the event of there being an equality of votes. This casting vote can be exercised only if the Articles give the necessary power. If at a directors' meeting a subject is voted upon in which a director is personally interested, his vote should not be counted unless the regulations of the company expressly allow him to vote on such a matter.

The voting powers of shareholders depend on the Articles (see, for example, Table A, Clauses 62-73). By some Articles it is provided that a transferee may not vote at meetings until he has held his shares at least three months; and members who owe money to the company are often precluded from voting. In the case of joint holders of shares, although all may be entitled to attend, only one may vote. A company which is a member of another company is empowered, by Section 139 of the Companies Act, to authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company, and such person is, of course, entitled to vote as if he were an individual member of the company. As has been stated previously, the voting is by show of hands in the first instance, and is on the principle of one person, one vote. No proxies may be counted on the show of hands. The chairman's declaration of the result of the voting is conclusive unless it can be clearly shown that his decision is wrong. It sometimes happens that some members are not satisfied with the result of the voting by show of hands, and they demand a poll. It is important that the demand for the poll should be made in accordance with the regulations (see Clauses 58-61, Table A). For instance, in companies governed by Table A the demand must be made "before or on the declaration of the result of the show of hands." When a poll is properly demanded, the show of hands goes for nothing, and the decision of the meeting will depend entirely on the result of the poll, and any member properly entitled to vote

may do so at the poll even though he was absent from the meeting at which the poll was demanded. It is the duty of the chairman to arrange for the taking of the poll, and the Articles usually provide that it shall be taken in such manner as the chairman directs. If the matter is one of minor importance, the poll is usually taken at once, but in the case of a question of considerable importance, the chairman may fix a future day, in which case notice of the place and time for holding the poll should be given to the members. The members then attend at the place specified and give their votes. Where a poll is taken by means of voting papers signed by the members, it is not in order for these papers to be sent by post to the office of the company, unless the Articles permit of this being done. The members must attend personally or by proxy and record their votes. The voting papers are examined by the secretary or by scrutineers appointed for this purpose, a polling list is prepared (see next page), and the result is declared by the chairman.

VOTING BY PROXY

Reference has been made to voting by proxy.

A proxy is a person authorized to vote in place of another though the term is often used with reference to the form of proxy to be filled up. Voting by proxy is provided for by Section 136 of the Companies Act, 1948. The form to be adopted is usually given in the Articles, and a stipulation made that the proxy must be lodged at the offices of the company a certain period before the time for holding the meeting, usually 48 hours. If it is not deposited within the prescribed time, the instrument is invalid. Each proxy form must be stamped. If it is intended to be used at one meeting only (which includes any adjournment of such meeting), a penny stamp is necessary. If the stamp used is an adhesive stamp, it must be cancelled before execution, but the date of the meeting may be left blank to be subsequently filled in by an authorized person before the proxy

POLLING LIST

RE RESOLUTION TO WIND UP VOLUNTARILY, 28TH NOVEMBER, 19..

Member's Name (Signature)	Folio in Register of Members	Voting as proxy for	No. of Proxy	Folio in Register of Members	Votes FOR the Resolution	Votes AGAINST the Resolution	Remarks
Moore, H. S. Johnson, Ben Law, J. W. B. Bowden, J. H. etc.	560 28 192 316	Alice Smith S. L. Bowden etc.	42 18	84 317	250 50 425	300	

is used. An unstamped proxy for one meeting, if executed abroad, may be stamped with a penny impressed stamp within 30 days of its receipt in this country. If the proxy is for use during a specified period or for several specified meetings, it must bear a 10s. stamp. It is important to note that if proxies are to be delivered to the company a specified period before the meeting, and the meeting is adjourned, only those proxies which were lodged before the original meeting should be used at the adjourned meeting, unless the Articles of Association provide otherwise (as Table A, Clause 69.) An adjourned meeting in law is regarded as a continuation of the original meeting. A proxy received without a stamp should be rejected and returned to the shareholder.

Before proxies are counted they should be carefully examined by the secretary to see that they comply with the Articles, and that they are properly stamped, but it is the duty of the chairman to reject or accept them. A list similar to the one shown on page 86 should be prepared, so that if the necessity arises, the secretary can ascertain quickly and accurately the number of votes to which each shareholder who holds proxies is entitled.

SPECIMEN OF PROXY

THE NEW ERA COMPANY, LIMITED

PROXY

ORDINARY GENERAL MEETING, 31ST OCTOBER, 19..

I, JAMES THOMPSON, of 26 CROSS STREET, SHEFFIELD, CASHIER, a member of the above-named Company, and entitled to 50 (FIFTY) votes, hereby appoint HARRY DRIVER, of 71 OLDHAM ROAD, SHEFFIELD, STOCKBROKER, or, failing him, SAMUEL ELLIOTT, of 19 MERSEY ROAD, LIVERPOOL, SOLICITOR, as my Proxy, to vote for me and on my behalf at the Annual General Meeting of the Company to be held on the Thirty-first day of October,

One thousand nine hundred and, and at any adjournment of such meeting.

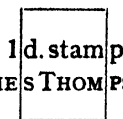
As witness my hand this TWENTY-FOURTH day of OCTOBER, ONE THOUSAND NINE HUNDRED AND

Witness :

Signature, JAMES SMITH.

Address, 14 HIGH STREET, SHEFFIELD. JAMES THOMPSON

Description, ACCOUNTANT.



Note. Two-way proxies have become popular with some companies in recent years. A form is included in Table A of the 1948 Act—see Chapter XI.

POLL

Some provisions of the Companies Act, 1948, regarding the taking of a poll, should be mentioned. Any provision contained in a company's Articles is void in so far as it would have the effect either—

- (a) of excluding the right to demand a poll at a general meeting on any question other than the election of the chairman of the meeting or the adjournment of the meeting; or
- (b) of making ineffective a demand for a poll on any such question which is made either—
 - (i) by not less than five members having the right to vote at the meeting; or
 - (ii) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (iii) by a member or members holding shares in the company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The instrument appointing a proxy to vote at a meeting of a company is deemed also to confer authority to demand or join in demanding a poll, and demand by a person as proxy for a member is therefore the same as a demand by the member.

On a poll taken at a meeting of a company or a meeting of any class of members of a company, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

LIST OF PROXIES RECEIVED
ALPHABETICALLY ARRANGED UNDER THE NAMES OF THE PROXY HOLDERS

No. of proxy	Name of member to whom proxy is given	Name of member giving proxy	Register Folios		No. of Votes	Remarks
			Holder	Giver		
51	Anson, John H.	Hardman, Miss Ethel	92	151	25	
120	do.	Brown, James	92	46	150	
98	Atkins, Wm. E.	Cawley, William	317	95	75	
24	do.	Cawley, Mrs. Amy	317	96	20	
141	do.	Wakem, John	317	216	200	
79	Black, Ernest	Wrigg, Fred	129	247	180	

CHAPTER IX

RESOLUTIONS

RESOLUTIONS may be classified into (a) Ordinary, (b) Extraordinary, and (c) Special Resolutions, each class having peculiar features.

The ordinary resolution is the one which is used more often than the others, the extraordinary and special resolutions being made use of when such procedure is required either by the Articles or by statute. The outstanding feature of the ordinary resolution is, that in order to pass, it requires only a bare majority of those voting, to vote in its favour. Notice of the nature and scope of the resolution need not be given unless the Articles require this to be done, but if special business is to be dealt with by ordinary resolution notice of the general nature of the special business must be given.

EXTRAORDINARY AND SPECIAL RESOLUTIONS

Section 141 of the Companies Act defines an extraordinary resolution and a special resolution as follows—

“(1) A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy, at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.

“(2) A resolution shall be a special resolution when it has been passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given.

Provided that, if it is so agreed by a majority in number of the members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right, or, in the case of a company not having a share capital, together representing not less than ninety-five per cent of the total voting rights at that meeting of all the members, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given.

"(3) At any meeting at which an extraordinary resolution or a special resolution is submitted to be passed, a declaration of the chairman that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

"(4) In computing the majority on a poll demanded on the question that an extraordinary resolution or a special resolution be passed, reference shall be had to the number of votes cast for and against the resolution.

"(5) For the purpose of this section, notice of a meeting shall be deemed to be duly given and the meeting to be duly held when the notice is given and the meeting held in manner provided by this Act or the Articles."

Extraordinary Resolutions.

With regard to the extraordinary resolution, the points to notice are: The meeting must be properly convened. Notice must be given of the intention to propose the resolution as an extraordinary resolution. In order to pass it, there must be a majority in favour of not less than three-fourths of such members of the company as, being entitled so to do, vote in person or by proxy at the meeting.

From the above it will be seen that if 100 members are present, at least seventy-five must vote in favour of the resolution if it is to be passed; but suppose that, of the 100 present and entitled to vote, sixty vote in favour,

twenty against and twenty do not vote, has the resolution been passed? The wording of the Act is "a majority of not less than three-fourths of such members as being entitled to vote vote in person." This being the case, the resolution in the above circumstances would be passed.

Unless a poll is demanded, the chairman's declaration that the resolution is passed is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. Of course, the vote in the first instance would be by show of hands, and proxies would not be counted. Within fifteen days of the passing of an extraordinary resolution, a printed copy must be forwarded to the Registrar of Companies. The business to be transacted by extraordinary resolutions is generally specified in the Articles, but the Act requires or permits such a resolution to be passed in certain circumstances, usually in connection with voluntary winding up.

Special Resolutions.

The definition of a special resolution is also contained in Section 141, which has already been quoted.

A printed copy of the resolution must within 15 days after the passing thereof be forwarded to the Registrar of Companies and recorded by him. (An exempt private company may submit a copy in some other approved form.) If the company has registered Articles, a copy of every special resolution for the time being in force must be embodied in, or annexed to, every copy of the Articles issued after the passing of the resolution. If no Articles have been registered, a copy of the resolution must be supplied in print to any member at his request on payment of a sum not exceeding 1s. The above requirements are contained in Section 143, and there are penalties if default is made, as in the case of extraordinary resolutions. The Articles may require

certain business to be transacted by special resolution, and the Act also provides that in certain cases a special resolution is necessary. For example,

- (1) To change the name of the company (Sec. 18).
- (2) To alter in some respects the provisions of the Memorandum of Association (Sec. 5).
- (3) To alter Articles (Sec. 10).
- (4) To reduce its capital, subject to confirmation by the Court (Sec. 66).
- (5) To determine that any portion of its capital which has not been called up, shall be called up only in the event of the company being wound up (Sec. 60).
- (6) To render unlimited the liability of directors, manager or managing director (Sec. 203).

CHAPTER X

SPECIMENS OF RESOLUTIONS AND MINUTES

Appointment and Remuneration of Officers, etc.

RESOLVED: That Mr. Henry Bence, of Nottingham, be and he is hereby appointed Secretary of the Company, the appointment to be subject to six months' notice on either side, and the remuneration to be at the rate of £500 per annum.

RESOLVED: That the appointment of Mr. William Rice, of Birmingham, as Secretary of the Company be and the same is hereby confirmed, the appointment to be, subject to six months' notice on either side, and the remuneration to be at the rate of £400 per annum.

RESOLVED: That Mr. Reginald Allen be appointed Assistant Secretary to the Society at an annual salary of £280, the appointment to date from the 1st January, 19.., and to be terminable by three months' notice on either side.

RESOLVED: That the agreement between the Company and Mr. Kenneth Ball, the Manager, now submitted in duplicate by the Solicitor, be approved and adopted, and that the Company's Seal be affixed thereto forthwith.

RESOLVED: That the consideration of the agreement with Mr. Kenneth Ball as Manager be adjourned until the next meeting of the Board.

RESOLVED: That Mr. Reginald Way, the Secretary *pro tem.* of the Company, be and he is hereby elected Secretary of the Company, at a salary of Four hundred pounds per annum (£400), and that an agreement be drawn up accordingly.

RESOLVED: That Messrs. White, Hart & Lane, of 1 Walden Road, Leeds, be and are hereby elected Auditors of the Company for the year ending 31st December, 19.., at a fee of 80 guineas.

RESOLVED: That Messrs. Sharp Bros., Chartered Accountants, of Balance Street, London, E.C.2, be appointed Auditors to the company, at a remuneration of £100 (one hundred pounds) for the year's audit, including the certifying of the Statutory Report.

RESOLVED: That Messrs. Steele, Clay & Co., 27 Tower Road, Leeds, be the brokers for the Company.

RESOLVED: That the salary of Mr. George Kennell, the Secretary of the Company, be increased from £650 per annum to £675 per annum, the increase to date from the 1st January, 19...

Appointment, Election and Removal of Directors.

Mr. P. Jones reported that in accordance with Article 68 of the Co.'s Articles of Association, Messrs. C. M. Watt, G. K. Bull, W. T. Simms, and A. Waite, had been elected Directors of the Company by a majority of the subscribers to the Memorandum of Association.

RESOLVED: That Mr. C. M. Watt be and he is hereby elected Chairman of Directors, and of the Company.

RESOLVED: That Messrs. Leslie Banks and Reginald Minter be and they are hereby re-elected Directors of this Company.

RESOLVED: That the remuneration of the Directors be the sum of £1,000 per annum in the aggregate; one-half to be paid to and divided amongst the Directors irrespective of attendance, the other half to be paid to and divided amongst the Directors according to attendance.

RESOLVED: That General Charles Siskivo, of Hillside, Colwyn Bay, be and is hereby elected a Director, under Article 48.

RESOLVED: That, in accordance with the provisions of Article 8 of the Articles of Association of the Company, Mr. S. Hamble be and he is hereby requested to resign his seat upon the Board of Directors, and

That the Secretary be and he is hereby instructed to send to Mr. Hamble a copy of this resolution.

Appointment of Committees.

RESOLVED: That, subject to any future resolution of the Board, Mr. Leslie White and Mr. Allen Hart be and they are hereby appointed a Committee of Directors with power to exercise, during the six months terminating 31st December, 19.., all or any of the powers of the Board.

RESOLVED: That a Committee, of which each individual member of the Board, as constituted from time to time, shall be a member, be and is hereby created for the purpose of considering and dealing with the various matters of current business; and it was further

RESOLVED: That any two members of the Board, acting as the Committee, have power to seal certificates and authorize cheques. All the operations of the Committee are to be subsequently brought up for confirmation by the Board.

Issue of Prospectus.

RESOLVED: That a Prospectus be issued offering 100,000 Ordinary Shares of £1 each and 100,000 Preference Shares of £1 each for subscription, and that Messrs. Dash & Moore be requested to furnish a draft prospectus immediately, for the approval of the Directors.

RESOLVED: That the Prospectus of the Company which has been considered at this meeting be dated 24th March, 19.., and be signed by the Directors now present; and

That a print thereof be sent to each other Director named therein for signature by him or his authorized agent, and that the signed copies be forthwith filed with the Registrar of Companies; and

That immediately thereafter the Prospectus be issued and advertised as hereafter resolved.

Allotment of Shares.

RESOLVED : That 50,000 Cumulative Preference Shares of £1 each and 50,000 Ordinary Shares of £1 each be and are hereby allotted to the applicants in accordance with the number of shares set forth in the allotment columns of the application and allotment lists, and that the Secretary prepare and issue the necessary letters of allotment and of regret, and where necessary refund moneys paid on application.

RESOLVED : That the number of shares mentioned in the eighth column set against the name of each applicant mentioned in the third column of the application and allotment sheets (signed for identification by one of the Directors) be and the same are hereby allotted to such applicant, making a total allotment of 10,000 shares.

RESOLVED : That a letter of allotment, with notice of the amount payable on allotment, be sent to each allottee, and that a letter of regret and cheque returning his application money be sent to each applicant to whom no allotment has been made.

The Secretary reported that in response to the issue of the prospectus, offering 100,000 Ordinary Shares of £1 each for subscription, applications had been received for 102,509 shares, as detailed on the " Application " lists.

RESOLVED : That 100,000 ordinary shares of £1 each be and are hereby allotted to the persons whose names, addresses and descriptions are respectively set forth in the " Allotment " sheets now produced to the Board, in accordance with the number of shares appearing in the Allotment columns therein, and that the Secretary be and is hereby instructed to issue the necessary allotment letters and letters of regret forthwith and to return application money where necessary.

The Secretary reported that the share certificates in respect of the Ordinary Shares of the company, as per

allotment sanctioned by the Board on 13th Jan., 19..., and referring to shares numbered 1 to 44,455, both numbers inclusive, were ready for sealing.

RESOLVED: That share certificates representing 44,455 Ordinary Shares, numbered 1 to 44,455 (both numbers inclusive), be sealed under the Common Seal of the Company, and signed by Walter Sykes and Rufus Moriarty, and countersigned by the Secretary.

RESOLVED: That 30,000 6 per cent. Preference Shares of £1 each, and 70,000 Ordinary Shares of £1 each be and they are hereby allotted to the applicants, in accordance with the number of shares set against their respective names in the Allotment columns of the Application and Allotment Book. The Secretary was instructed to prepare and issue the necessary allotment letters and letters of regret forthwith, and to draw cheques for the return of application money where necessary.

Preference Share certificates Nos. 501 to 1,169 inclusive in the names of sundry allottees were submitted and approved, when it was

RESOLVED that the Company's Seal be accordingly affixed thereto.

RESOLVED: That..... shares in the capital of the Company be allotted as follows—

Allottee	Number of Shares	Denoting Numbers of Shares	
		From	To
A Z	Fifty	1	50
B W	One hundred	51	150
C T	Ten	151	160

And that the Secretary do give Notice of Allotment to the above-named persons respectively.

Applications for shares entered in the Application Book, and numbered from to inclusive, having been laid before the Board, it was

RESOLVED: That the number of shares entered in the column of the Application Book, headed "No. of Shares Allotted," opposite the name of each applicant respectively, be and are hereby allotted to each applicant in pursuance of his application, and that notice of such allotment be given to the respective allottees; and that where no number of shares appears in the column headed "No. of Shares Allotted," opposite the name of an applicant, no allotment be made, and that the deposit paid by such applicant be returned.

Debentures.

RESOLVED: That one thousand Debentures of one hundred pounds (£100) each, constituting a floating charge on all the Company's assets, be offered to the public for subscription, at the rate of ninety-eight pounds (£98) per centum, such Debentures to bear interest at the rate of five pounds per centum per annum, and to be redeemed at par on the twenty-eighth day of February, Nineteen hundred and fifty-one, or before at the option of the Company; and

That Messrs. Walter Sykes and Rufus Moriarty be and are hereby appointed a Committee to

(a) consider the appointment of trustees for the Debenture Holders;

(b) arrange with the Company's solicitors, Messrs. Law and Co., as to the draft forms of Debenture Bond and Trust Deed, and as to the issue of a Prospectus;

and

to place their report before the Directors, within a period of twenty-one days from this date.

RESOLVED: That the Directors be and they are hereby authorized to borrow the sum of £20,000, and to secure

the same by the issue of 400 Debentures of £50 each, bearing interest at the rate of 5 per cent per annum payable half-yearly, and charged upon the undertaking of the Company and all its assets, present and future, including its uncalled capital, and that except as aforesaid the said Debentures be issued upon such terms and conditions in all respects as the Directors think fit.

Certificate of Incorporation.

The solicitor to the Company, Mr. L. Awyer, produced the certificate of incorporation, No. E. 24449x.

Mr. P. Jones reported having received the Company's certificate of incorporation, No. 66,664xa from the solicitor acting for the company in the matter.

Banking Account.

RESOLVED: That a Banking Account be opened with Messrs. Brock & Co., of Princess Street, London, E.C.4, and that the signature of any one director and the counter signature of the Secretary shall be sufficient authority to Messrs. Brock & Co. for the payment of all moneys, to permit the inspection or withdrawal of any securities, and to act upon any instructions in connection with the transactions of the company with the said Bank.

RESOLVED: That a Banking Account be opened in the name of and for the purposes of the Company with the Unity Bank, Limited, and that all cheques or other orders upon the said account be signed on behalf of the Company by two Directors and the Secretary; and

That all Bills of Exchange, Promissory Notes and other negotiable instruments be accepted, made, drawn and endorsed for and on behalf of the Company by two Directors and the Secretary; and

That all cheques and other negotiable instruments requiring the endorsement of the Company which are paid to the said account may be endorsed on behalf of the Company by any Director or the Secretary.

Loan from Bankers.

RESOLVED : That application be made to the Company's bankers for a loan of £50,000 for the purposes of building and furnishing warehouses.

RESOLVED : That application be made to The District Bank of Manchester for a three months' loan of £5,000.

Loan by Company.

LOAN TO J. GOODALL.

The Secretary reported that Mr. J. Goodall, of Gardens Road, London, N.6, had applied for a loan of £300 for two years ; interest at the rate of 6 per cent per annum to be paid quarterly, and securities for £500 to be deposited with the Company ; and it was

RESOLVED : to advance the sum of £300 to Mr. J. Goodall upon these conditions, and that a cheque for the amount be signed and forwarded to Mr. Goodall on the 15th July.

Common Seal.

RESOLVED : That the common seal, an impression of which is affixed to these minutes, be and is hereby adopted as The Common Seal of the Company ; and

That a key of one of the locks of the seal be kept by the Chairman, and that of the other lock by the Secretary. The duplicate keys to be held respectively by Messrs. G. K. Bull and W. T. Simms.

Calls.

RESOLVED : That a call of five shillings per share be made upon the members of the Company, such call to be payable on the 14th day of February, 19.., to Messrs. Croft & Wood, the Company's bankers, at 99 Hart Lane, London, E.C.4.

RESOLVED : That a call be and is hereby made of two shillings and sixpence per share on the 120,000 Ordinary Shares of the Company, and that holders of such shares

be requested to pay the same to the Company's bankers on or before the 28th March, 19...

RESOLVED: That a call of five shillings per share be made upon the members of the Company in respect of the amount unpaid on their shares, and that the same be payable on or before the first day of August, 19..., at(specify here, either the address of the bankers of the Company, or, if the Company works under Table A, the registered office of the Company, as the case may be), and that all calls unpaid by that day shall bear interest against the defaulting member at the rate of 5 per cent. per annum from the date mentioned until payment.

Transfer of Shares.

RESOLVED: That the following transfers be approved, and that the necessary certificates be issued under the seal of the company.

RESOLVED: That (state number) transfers, particulars of which appear on folio of the Register of Transfers, and which are numbered to be and are hereby approved.

Transfer Deeds numbered 49 to 83 inclusive as appearing in the Transfer Register were submitted, together with Preference Share certificates Nos. 1,170 to 1,208 inclusive in favour of sundry transferees and transferors as detailed in the Transfer Register. The deeds being approved and passed by the Board,

RESOLVED that the Company's seal be affixed to the aforesaid certificates.

RESOLVED: That Transfer Deeds Nos. 123-234, as appearing in the Transfer Register, representing a total number of shares transferred of 7,890, be approved, and that the sealing of new certificates for the like number of shares be and is hereby authorized, the old certificates representing the same number of shares being cancelled.

RESOLVED: That Transfer Deeds numbered 77 to 96 inclusive, representing 300 Ordinary Shares in the Company,

particulars of which appear on pages 44 and 45 of the Transfer Register, be approved and sealed.

Transfer Books.

RESOLVED: That the Transfer Books of the Company be closed from the 1st to the 21st day of February, 19..., both days inclusive.

RESOLVED: That the Share Transfer Books be closed from 16th Feb. to 28th Feb., 19..., both dates inclusive, in order that warrants may be prepared for the dividend payable on the latter date.

Forfeiture of Shares.

The Secretary reported that in pursuance of the powers contained in the Company's Articles of Association, and in accordance with the Board's instructions, he had written Mr. J. A. Smith, of 111 Walden Lane, London, E.C.2, on the 1st August, 19..., informing him that, unless the Call due on his 100 Shares, together with interest, was paid on or before the 1st September, 19..., the Directors would proceed to declare such shares to be forfeited.

The Secretary having reported that the above letter had been duly posted to Mr. J. A. Smith, under registered cover, on the 1st August, and that no reply had been received to the communication; it was

RESOLVED: That the 100 Six per cent Preference Shares of the Company, Numbers 334 to 433 inclusive, registered in the name of James Alfred Smith, of 111 Walden Lane, London, E.C.2, be and the same are hereby forfeited.

RESOLVED: That Mr. J. A. Smith be forthwith notified of the forfeiture of the 100 shares registered in his name.

RESOLVED: That Mr. Cecil Bangs, the registered holder of 100 shares of £1 each, numbered 1,111 to 1,210 inclusive, in this Company, having failed to pay the instalment of five shillings per share due on the said shares on the 1st day of January, 19..., and having failed to comply with

the notices served on him, the said shares be and the same are hereby forfeited.

RESOLVED: That 100 Ordinary Shares of the Company, numbered 281 to 380 inclusive, which were formerly registered in the name of Mr. C. M. Rae, of 127 Towers Road, Tottenham, and were forfeited by a Resolution of the Board on the 14th day of February, 19.., be sold to Mr. G. K. Burton, of 1 Walden Road, Whitelane, for the sum of £90, payable on or before the 1st day of April, 19.., and that upon payment of the said sum a Certificate be duly sealed and signed by two Directors and the Secretary, and issued to the purchaser, wherein the said shares shall, in consideration of the payment of £90, be credited as fully paid up.

Increase of Capital.

RESOLVED: That the capital of the Company be increased to £100,000 by the creation of 1,000 new Preference Shares of £5 each, to rank *pari passu* in all respects with the Preference Shares of the original capital of the Company, and that such new shares be offered in the first instance at a premium of five shillings per share to the members of the Company in proportion, as nearly as may be, to their holdings, whether of Preference or of Ordinary Shares, and that the Directors be authorized to dispose of all such new shares as may not be taken up by the members of the Company as aforesaid to such persons and upon such terms as they may deem expedient in the interests of the Company.

RESOLVED: That at an Extraordinary General Meeting of Shareholders to be held immediately after the close of the approaching Annual Meeting, the following motion be submitted on behalf of the Directors—

“ That the capital of the Company be increased by the issue of five hundred additional Ordinary Shares of five pounds each.”

RESOLVED: That the Capital of the Company be increased from £60,000 to £100,000 by the creation of 40,000 shares of £1 each, and that the Directors be and are hereby authorized to allot the new shares to such persons and on such terms as they may deem expedient.

Consolidation of Shares.

RESOLVED: That the shares in the capital of the Company be consolidated in such manner that every ten of the existing shares shall constitute one £10 share, upon which the sum of £10 shall be credited as having been paid up;

and further—

That the existing certificates of shares be called in and cancelled, and that new certificates be issued in place thereof.

Conversion of Shares into Stock.

RESOLVED: That the 50,000 Ordinary Shares in the capital of the Company, which have been issued and have been fully paid up, be converted into Stock.

Meetings.

GENERAL MEETING

RESOLVED: That the Annual General Meeting of the Company be held on Monday, 16th November, at 12 noon, at the Cheapside Hotel, E.C.4.

RESOLVED: That a Board Meeting be held on the first Monday in the month at the Registered Offices of the Company at 3 p.m., and that two members of the Board shall form a quorum.

Alteration of Articles.

RESOLVED: That the Articles of Association of the Company be altered as follows—

1. That in Article 10 the words (set out) be cancelled.
2. That in Article 20 the words (set out) be inserted after the words (set out).

3. That the following Article be substituted for Article 103—(set out).

Resolution Rescinded.

RESOLVED: That the resolution set out below, adopted by the Board on 1st July, 19.., be and it is hereby rescinded—

“ That..... ” (set out resolution).

Establishment of Branches.

RESOLVED: That it is desirable that the business of the Company be extended by the establishment of branch houses in France and Belgium ; and

That the Secretary be and he is hereby instructed to make inquiries on the subject, and to present a report thereon to the next meeting of the Board.

Financial Returns.

FINANCE

The financial position was reported as follows—

Balance as per Cash Book . . .		£6,385	1	5
Balance as per Pass Book . . .	£6,392	16	2	
Less Cheques outstanding . . .		7	14	9
		<hr/>		
		£6,385	1	5

The sales list for the month ending 31st Dec., 19.., which showed an increase of £10,000 in the aggregate, was presented, and considered satisfactory.

Payments Authorized.

RESOLVED that cheques in payment of the following items be drawn—

	£	s.	d.
Bath Works Co., Ltd. (Printers)	7	10	6
House Property Co. (one quarter's Rent to 25th March, 19..)	110	0	0
Fred Squire (Secretary's salary for month ending 30th April, 19..)	120	0	0
Fred Squire (salary of Staff for week ending 29th April, 19..)	46	10	8

Agreements as to Premises, etc.

SHOP, 127 WHITE HART ROAD, KINGSTON

Application for the tenancy of these premises from Messrs. Allen & Lesly, dated 19th June, 19.., offering £70 per annum, tenant to make necessary alterations and keep premises in repair, was read ; and it was

RESOLVED to accept Messrs. Allen & Lesly as tenants of these premises on the terms laid down in their letter of the 19th June, 19.., and to instruct the Solicitors to prepare the necessary agreement.

RESOLVED: That the draft agreement with Messrs. Moneylaw & Co., for the purchase of the properties comprised in No. 37, Dale St., Manchester, be approved ; that it be engrossed in duplicate, and that the Company's seal be affixed thereto.

Investment.

RESOLVED: to purchase £1,000 Argentine Northern Railway Co., Ltd., 5 per cent. Debenture Stock at 99.

Dividends.

RESOLVED: That a dividend of 5 per cent. be paid upon the Preference Shares, and a dividend of 4 per cent be recommended to be paid upon the Ordinary Shares of the Company to all shareholders whose names appear on the Company's Register on the 31st day of December, 19..

RESOLVED: That an interim dividend of one shilling per share be and is hereby declared payable, on the 20th day of August, 19.., to the shareholders whose names were on the books of the Company on 30th June, 19.. ; and

That the Secretary be and he is hereby instructed to make and to carry out all the necessary arrangements.

RESOLVED: That the dividends recommended to be paid by the Directors in their Annual Report, namely 4 per cent. on the Ordinary Shares and 5 per cent on the Deferred Ordinary Shares for the year be approved. The dividends to be paid to such persons as appear on the

Register of Members at the closing of the books on the 19th inst.

RESOLVED: That the following dividends upon the Company's issued capital be now declared payable out of the net profits of the undertaking for the twelve months ended the 31st December, 19.., viz., on the £30,000 Preference Shares a dividend of 6 per cent for the year; on the £70,000 Ordinary Shares a dividend of 4 per cent for the year, such dividends to be paid forthwith.

RESOLVED: That a dividend of 5 per cent per annum on the Preference Shares and a dividend of 5½ per cent per annum on the Ordinary Shares, as recommended by the Directors, be approved.

RESOLVED: That an interim dividend be declared for the six months ended 30th June, 19.., at the rate of 5 per cent per annum on the Ordinary Shares of the Company, less Income Tax at in the £1; and that the warrants be signed by the Secretary only and be posted on the 15th July, 19...

Reports and Accounts.

The Report of the Directors and Statement of Accounts for the year ending 31st December, 19.., were laid on the table; and it was

RESOLVED to approve and adopt the same, and that Mr. Harry Barratt and Mr. Sydney Buxton should sign the Balance Sheet.

RESOLVED: That the Report and Accounts, as audited and certified by the Company's Auditors, now before the meeting, showing the position of the Company's affairs as on the 31st December, 19.., be approved and adopted.

RESOLVED: That the Report of the Directors produced, together with the annexed Statement of the Company's Accounts at the 31st December, 19.., duly audited, be received, approved, and adopted.

RESOLVED: That the Report of the Directors and the

Accounts for the year ending Dec. 31st, 19..., as now presented, be approved and adopted, and entered in the Book of Proceedings of the Company.

Votes of Thanks.

The meeting closed with a vote of thanks to the Chairman and Directors.

On the Chairman declaring the business of the meeting completed, a resolution of thanks was unanimously accorded to him, and to the other members of the Board for their services during the past year. The Chairman responded in suitable terms.

Winding up.

RESOLVED: That the Company cannot by reason of its liabilities continue its business, and that it is advisable to wind up the same.

RESOLVED: That the Company be wound up voluntarily.

RESOLVED: That the Company be wound up voluntarily; and

That Mr. Charles Brend, of 27 Tower Gardens Road, Westcliff, be and he is hereby appointed liquidator.

RESOLVED: That this Company be wound up voluntarily, and that Mr. Albert Fox, of Guild Buildings, London, E.C.2, be and he is hereby appointed liquidator.

CHAPTER XI

EXTRACTS FROM TABLE A

PART I: REGULATIONS FOR MANAGEMENT OF A COMPANY LIMITED BY SHARES, NOT BEING A PRIVATE COMPANY

General Meetings

47. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next. Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the directors shall appoint.

48. All general meetings other than annual general meetings shall be called extraordinary general meetings.

49. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 132 of the Act. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

Notice of General Meetings

50. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the

company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the company, entitled to receive such notices from the company:

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this regulation, be deemed to have been duly called if it is so agreed—

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

51. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, shall not invalidate the proceedings at any meeting.

Proceedings at General Meetings

52. All business shall be deemed special that is transacted at an extraordinary general meeting, and all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance-sheets, and the reports of the directors and auditors, the election of directors in the place of those

retiring and the appointment of and the fixing of the remuneration of the auditors.

53. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business ; save as herein otherwise provided, three members present in person shall be a quorum.

54. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved ; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.

55. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.

56. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

57. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as

in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

58. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded—

- (a) by the chairman; or
- (b) by at least three members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

59. Except as provided in regulation 61, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

60. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

61. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

Votes of Members

62. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.

63. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders ; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

64. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver, or curator bonis appointed by that court, and any such committee, receiver, curator bonis, or other person may, on a poll, vote by proxy.

65. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

66. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

67. On a poll votes may be given either personally or by proxy.

68. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.

69. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting not less than forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

70. An instrument appointing a proxy shall be in the following form, or a form as near thereto as circumstances admit—

Limited.

I/We, _____, of _____
 in the County of _____ being a member/members
 of the above named company, hereby appoint
 of _____, or failing him
 of _____, as my/our proxy to vote for me/us
 and on my/our behalf at the [annual *or* extraordinary, *as
 the case may be*] general meeting of the company to be held
 on the _____ day of _____ 19 ____
 and at any adjournment thereof.

Signed this _____ day of _____ 19 ____

71. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument

appointing a proxy shall be in the following form or a form as near thereto as circumstances admit—

“Limited
 I/We, , of
 in the county of , being a member/members of
 the above-named company, hereby appoint
 of , or failing him
 of , as my/our proxy to vote for me/us on
 my/our behalf at the [annual or extraordinary, as the case
 may be] general meeting of the company, to be held on the
 day of 19 , and at any adjournment
 thereof.

Signed this day of 19 .

This form is to be used *in favour of
against the resolution.

Unless otherwise instructed, the proxy will vote as he thinks fit.

* Strike out whichever is not desired.”

72. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

73. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Corporations Acting by Representatives at Meetings

74. Any corporation which is a member of the company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company or of any class of

members of the company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

Powers and Duties of Directors

80. The business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not, by the Act, or by these regulations, required to be exercised by the company in general meeting, subject nevertheless to any of these regulations, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

86. The directors shall cause minutes to be made in books provided for the purpose—

- (a) of all appointments of officers made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors,

and every director present at any meeting of directors or committee of directors shall sign his name in a book to be kept for that purpose.

Proceedings of Directors

98. The directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings,

as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from the United Kingdom.

99. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.

100. The continuing directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of directors, the continuing directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

101. The directors may elect a chairman of their meetings and determine the period for which he is to hold office ; but, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

102. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit ; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors.

103. A committee may elect a chairman of its meetings : if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

104. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the chairman shall have a second or casting vote.

105. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

106. A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

Notices

131. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the company for the giving of notices to him.

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post.

132. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

133. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, in the United Kingdom supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

134. Notice of every general meeting shall be given in any manner hereinbefore authorized to—

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the company an address within the United Kingdom for the giving of notices to them;
- (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- (c) the auditor for the time being of the company.

No other person shall be entitled to receive notices of general meetings.

PART II: REGULATIONS FOR THE MANAGEMENT OF A PRIVATE COMPANY LIMITED BY SHARES

4. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided two members present in person or by proxy shall be a quorum.

5. Subject to the provisions of the Act, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorized representatives) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held.

INDEX

ACCOUNTS, 26, 44
Adjourned meeting, proxies at, 83
Adjournment of meeting, 109
Admission card for shareholders' meeting, 45, 50
Agenda, 8, 32, 63
 —, committee meeting, 65, 67
 —, copy for each director, 9
 —, extraordinary meeting, 60
 —, general meeting, 51, 70
 —, notes made on, 9
 —, numbering of items on, 9
 —, preparation of, 8, 45, 63
 —, resolutions on, 30
 —, statutory meeting, 49
Alteration of minutes, 21
Amendments, 28, 77
Annual general meeting, 43
 —, minutes of, 53, 71
 —, order of business, 64
Attendance book, 25, 32, 45, 64
Auditors, election of, 47
 —, report of, 44, 46

BOARD meetings, convening, 24
 —, notice of, 24, 31
 —, proceedings at, 25
 —, quorum at, 24
 —, resolutions at, 27
 —, specimen agenda, 32
 —, minutes, 34-39
 —, notice convening, 31
 —, vacancies on, 47
Business arising out of minutes, 25

CASTING vote, 80
Chairman, appointment of, 25
 —, Table A, 109, 115
Chairman's signature to minutes, 21
 — speech, 46
Circulation of members' resolutions, 61

Committee meeting, 63
 —, agenda, 67
 —, minutes of, 68
 —, order of business, 64
 — of directors, 115
Confirmation of minutes, 4, 21
Corporation, member of company, 113
Council meetings, 74

DATES and figures, 19, 26
Debating societies, meetings of, 62
Directors' attendance book, 25, 32
 — meetings (see Board Meetings)
 — statutory report, certifying, 41
 — vacancies, filling, 47
Directors, appointment of, 92
 —, duties of, 114
 — interested in contracts, 24
 —, proceedings of, 25, 114
 —, remuneration of, 47
Distinctive numbers of shares, 20

ELECTION of auditors, 47
Evidence, minutes as, 4, 22
Extraordinary General Meeting—
 Agenda for, 60
 Convening, 55
 — by members, 55
 Expenses of members convening, 55
 Minutes of, 60
 Notice of, 59
 — for passing special resolution, 56, 87
 Purposes of, 54
Extraordinary Resolutions—
 Defined, 87
 Filing copy, 89
 Notice of intention to propose, 88
 Poll, demand for, 89

FORMAL resolutions, 28**GENERAL Meeting—**

- Adjournment of, 109
- Admission cards, 45, 50
- Agenda for, 51, 70
- Attendance book, 45
- Auditors, election of, 47
- Business at, 44
- Chairman, 45, 109
- Court convening, 58
- Default in holding, 58
- Directors, electing, 44
- Dividends, declaring, 44
- Extraordinary (see Extraordinary General Meeting)
- Minutes, 52, 71
- , confirming, 4, 21, 22
- Notice of, 44, 50, 56, 107, 117
- Poll at, 110
- Proceedings at, 108
- Quorum at, 45, 109
- Reports and accounts, 45
- Table A, 107
- When held, 43
- Who entitled to notice, 44

HEADINGS, 13, 19**INFORMAL resolutions, 27****JOINT holders of shares, 80****LITERARY societies, meetings of, 63****Loose-leaf minute book, 12****MARGINAL references, 19****Meetings, annual general, 43, 65**

- , associations, 63
- , board (see Board Meetings)
- , council, 74
- , debating societies, 63
- , directors' (see Board Meetings)
- , extraordinary general (see Extraordinary General Meeting)
- , general (see General Meetings)
- , literary societies, 63
- , municipal, 74
- , ordinary general (see General Meetings)
- , shareholders (see General Meetings)

Meetings, societies, 63**—, statutory (see Statutory Meetings)****Minute book, 11, 65****Minutes, accuracy of, 4,****—, allotment of shares, 20****—, alteration of, 21, 22****Minutes, book for, 11****—, business arising out of, 25****—, chairman's signature to, 4, 21****—, confirmation of, 4, 19, 21, 25****—, contents of, 3****—, copies of, 12****—, court, produced in, 4****—, dates and figures in, 19****—, effect of, 22****—, enactment re, 12****—, evidence, as, 4, 22****—, headings of, 19****—, imperfect, 4****—, importance of, 1****—, inaccuracies in, rectifying, 4****—, inspection of, 12****—, marginal references to, 19****—, note taking, 6****—, object of, 2****—, objections recorded in, 17****—, particulars in, 10****—, reading last preceding, 1, 19, 21, 25****—, resolutions entered on, 15, 27****—, specimen (see Resolutions)****—, responsibility for, 4****—, specimen: annual general meeting, 52, 53, 71****—, committee meeting, 68****—, directors, 34, 35, 37, 39****—, extraordinary general meeting, 60****—, general meeting, 53, 71****—, statutory meeting, 49****—, voluntary society, of, 2****—, where books kept, 12****—, writing up, 6, 13-23****Motions, 47****—, seconding, 47****Municipality, minutes of a, 74**

NOTE-TAKING, 6

Notes, what they should contain, 10

Notice of annual meeting, 44, 50, 56

— of committee meeting, 63

— of directors' meeting, 24, 31

— of extraordinary meeting, 59

— of general meeting, 50, 56

— of meeting, 31, 48, 50, 63

— of resolution, 61, 87

— service of, 57

— taken as read, 46

— to joint holders, 116

OBJECTIONS, recording of, 17

Order of business, 64

Ordinary business, 44

— general meeting (see General Meeting)

PHILANTHROPIC societies, meetings of, 63

Poll, demand for, 80, 84, 110

—, who may demand, 84

Polling list, 81, 82

Private company, 117

—, quorum, 57

Protests, recording, 17

Proxies, adjourned meetings, at, 83

—, deposit of, 81

—, form of, 83, 112

—, list of, 86

—, show of hands, not counted on, 80, 89

—, stamping, 81

—, under seal, 112

—, voting by, 81

QUORUM, 24, 57, 64, 109

REPORT and accounts, 45

Requisition for extraordinary general meeting, 55

Resolutions, agenda, on, 30

—, board meetings, 27

—, classes of, 87

—, extraordinary, 87, 88

—, formal, 28

—, informal, 27

—, minutes, entered on, 15, 27

—, notes to be taken of, 15

—, notice of, 61

—, special, 87, 89

—, without meeting, 24, 116

Resolutions, specimen—

Agreements as to premises, etc., 104

Articles, alteration of, 102

Auditors, 91

Banking account, 97

Branches, establishment of, 103

Calls, 98

Capital, increase of, 101

Certificate of incorporation, 97

Committees, appointment of, 93

Common seal, 98

Debentures, 96

Directors, appointment and removal, 92

Dividends, 104

Financial returns, 103

Investments, 104

Loan by company, 98

— to company, 98

Meetings, 102

Officers, appointment and remuneration of, 91

Payments authorized, 103

Prospectus, issue of, 36, 93

Reports and accounts, 105

Resolution rescinded, 103

Shares, allotment of, 94

—, consolidation of, 102

—, conversion into stock, 102

—, forfeiture of, 100

—, transfer of, 99

Transfer books, 100

Vote of thanks, 106

Winding up, 106

SCRUTINEERS, 81

Secretary, agenda, preparing, 8

—, 45, 63

—, duties of, 1-31, 45, 62

—, minutes, note-taking, 6

—, —, shorthand notes, 6

—, —, taking, 1

—, —, writing up, 13-23

—, stationery, providing, 25

Shareholders' attendance book, 45

— meetings, 40-62

Shares, particulars on minutes, 20

Shorthand, use of, 6

Show of hands, proxies not counted on, 80

- | | |
|---|--|
| <p>Show of hands, voting by, 47, 78, 80</p> <p>Societies, committees of, 63</p> <p>—, meetings of, 63</p> <p>Special business, 58, 108</p> <p>Special resolutions, defined, 87</p> <p>—, filing copy of, 89</p> <p>—, notice, 56</p> <p>—, poll, demand for, 88</p> <p>—, when required, 90</p> <p>Statutory meeting, 40</p> <p>—, adjournment of, 42</p> <p>—, agenda of, 49</p> <p>—, failure to hold, 43</p> <p>—, minutes of, 49</p> <p>—, notice convening, 48</p> <p>— report, certifying, 41, 42</p> | <p>Statutory report, filing, 42</p> <p>TABLE A, 107</p> <p>Two-way proxy forms, 84, 113</p> <p>VACANCIES on board, 47</p> <p>Voting, 57, 78</p> <p>—, complicated methods of, 79</p> <p>—, corporation member of company, 80</p> <p>—, directors' meetings, 79</p> <p>—, proxy, by, 81</p> <p>—, shareholders' meetings, 57, 80</p> <p>—, Table A, 111</p> <p>Writing up of minutes, 13-23</p> |
|---|--|

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